

The NATIONAL UNDERWRITER



Accidents know no season

Ancient Sun Dial Which Recorded the Hours and the Seasons

Accident and illness never take a holiday. That's why accident and health coverages sell well the year round.

Standard Accident's distinctive national advertising, timely production aids, and alert field men will help you increase your premiums from these lines during Accident and Health Insurance Week and all through the year. And this Company's 55-year record of prompt, just settlements makes a strong solicitation point.

Standard of Detroit, experienced and with ample resources, writes practically every form of Casualty Insurance and Fidelity or Surety Bond. Its progressive management includes in the Company's modern agency service an efficient safety engineering staff; a continent-wide claim service; and helpful individual co-operation.

• National Accident and Health Insurance Week—April 24-29

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

THURSDAY, APRIL 13, 1939



THE Crum and Forster GROUP



FINANCIAL STATEMENT AS OF DECEMBER 31, 1938

ASSETS

	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	ALLEMANIA FIRE INS. CO.	RICHMOND INS. CO.	U. S. BRANCH WESTERN ASSURANCE	U. S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$ 3,380,872	\$ 2,342,321	\$ 2,192,227	\$ 457,378	\$ 419,861	\$ 455,749	\$ 291,923	\$ 175,540
United States Government Bonds	8,621,071	6,349,378	3,748,615	1,228,522	1,333,815	1,351,059	664,324	410,119
Other Bonds and Stocks	18,927,258	13,223,790	10,199,622	1,860,858	2,396,432	2,331,341	1,761,458	880,157
Mortgage Loans on Real Estate	262,626	172,098	277,750	972,267	293,434	.....	.....	27,829
Real Estate	467,190	114,740	76,012	†739,348	†171,624	.....	.....	74,871
Premiums in Course of Collection (Not over 90 days)	1,152,397	636,987	712,499	160,101	146,962	168,323	78,174	60,115
Bills Receivable, Not Due	182,563	85,462	133,652	.....	.....	.....	.....	.....
Interest Accrued	83,666	50,760	64,630	20,204	9,093	25,874	12,346	9,191
Other Assets	31,737	11,295	22,665	3,147	.....	4,740	170	8,690
Total Admitted Assets**	\$33,109,380	\$22,986,831	\$17,427,672	\$5,441,825	\$4,771,221	\$4,337,086	\$2,808,395	\$1,646,512

LIABILITIES

Reserve for Unearned Premiums	\$ 9,831,793	\$ 5,831,894	\$ 5,492,963	\$1,492,496	\$1,180,321	\$1,192,195	\$ 668,232	\$ 431,240
Reserve for Losses in Adjustment	1,537,728	919,298	1,148,756	198,346	142,600	285,838	95,564	64,276
Other Liabilities	691,431	383,365	576,066	131,650	136,000	132,967	47,134	49,628
Mortgage Reserve	75,000	50,000	35,000	50,000	50,000	.....	.....	.....
Capital	2,000,000	2,000,000	1,000,000	1,200,000	1,000,000	\$400,000	\$200,000	200,000
Net Surplus**	18,973,428	13,802,274	9,174,887	2,369,333	2,262,300	2,326,086	1,797,465	901,368
Surplus to Policyholders	20,973,428	15,802,274	10,174,887	3,569,333	3,262,300	2,726,086	1,997,465	1,101,368
Total Liabilities	\$33,109,380	\$22,986,831	\$17,427,672	\$5,441,825	\$4,771,221	\$4,337,086	\$2,808,395	\$1,646,512

*Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$3,182,589; North River, \$2,316,256; Westchester \$1,501,149; Allemannia, \$258,469; Richmond, \$563,948; Western Assurance, \$604,223; British America, \$398,418; Southern Fire, \$261,602;—of these amounts, the following par value amounts of U. S. Government Bonds are held by the Superintendent of Insurance of New York under Sections 130-1-2 of the New York Insurance Law as Special Reserve Funds: United States Fire, \$2,500,000; North River, \$2,000,000; Westchester, \$1,000,000; Richmond, \$500,000.

**On the basis of Dec. 31, 1938, Market quotations for all Stocks and Bonds, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$604,390; North River, \$453,147; Westchester, \$203,964; Allemannia, \$26,427; Richmond, \$53,881; Western Assurance, \$52,861; British America, \$38,711; Southern Fire, \$56,626.

†Including Home Office Building.

§Statutory Deposit.

CRUM AND FORSTER, Managers

110 WILLIAM STREET, NEW YORK CITY

WESTERN DEPARTMENT SOUTHERN DEPARTMENT CAROLINAS DEPARTMENT PACIFIC DEPARTMENT ALLEGHENY DEPARTMENT
FREEPORT ILLINOIS ATLANTA GEORGIA DURHAM, NORTH CAROLINA SAN FRANCISCO, CALIFORNIA PITTSBURGH, PENNSYLVANIA

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Forty-third year, No. 15, Thursday, April 13, 1939. \$4.00 a year, 20 cents per copy. Entered as second class matter, April 25, 1931, at the post office at Chicago, Ill., under act of March 3, 1879.

So I'm a **TOUGH** Prospect



Why are so many insurance agents "women-haters"? Do automobile salesmen, architects, or furniture dealers overlook women when it comes to making sales? *Absolutely no!* Women hold the purse strings for the home — buy practically everything that goes into it. They're good-paying prospects for all it takes to make a happy home — *excellent prospects for insurance.*



What women want

Thousands of women — seeing Employers' Group national advertising—send for our booklet "Insurance for the Home". They seek complete information on all policies; on the value of agency service; on all phases of insurance.

This is the way they buy insurance. Women welcome advice. They give time to the agent. They keep accurate inventories and have complete analyses made of their needs. And they buy, not only the usual fire and furniture policies, but also burglary, liability, comprehensive, personal floater, and all the other household coverages that Employers' Group companies conveniently give in one complete home protection plan.

Are you getting your share of this business?

If you want to increase your sales, write for a free copy of the current issue of our magazine, "The Employers' Pioneer". It's filled with sales-producing ideas — shows how to capitalize on the Employers' Group national advertising that reaches 1,500,000 prospects every month. Write to The Publicity Dept.



The EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS





With a World's Fair and an International Exposition at opposite ends of the country to stimulate travel, and the railroads doing their bit by offering attractive rail rates to enable people to take in both, every Agent is offered one of the best selling opportunities he has had in years.

There are hundreds of thousands of prospects for a wide range of coverages . . . Camera, Fur and Jewelry Floaters, Personal Effects, Comprehensive Automobile, Accident... even Burglary Insurance has new significance for those who plan to be away from home.

The time to go after the business is *now*. North America Agents have a wide assortment of effective selling helps.

See our advertisement in the April
24th issues of Life and Time and
April 15th issue of Business Week.

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA

and the

INDEMNITY INSURANCE CO., of NORTH AMERICA

Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$73,000,000

The NATIONAL UNDERWRITER

Forty-third Year—No. 15

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 13, 1939

\$4.00 Per Year, 20 Cents a Copy

Paramount Scheme Is Condemned by Agents Association

Statement Is Issued by
W. E. Harrington of At-
lanta, Insurance Adviser

The National Association of Insurance Agents at its Hollywood, Fla., midyear convention, found its most perplexing problem what attitude to take toward Paramount Fire being organized to write mortgage bankers business, all to be re-insured in the Home. It was very evident that the agents as a whole are decidedly opposed to the entire project. They bombarded the executive committee with protests.

The committee had five prolonged

DALLAS—Owen M. Murray, president Paramount Fire, has issued this statement, following the discussion of his company's affairs at the mid-year meeting of the National Association of Insurance Agents.

"The Paramount Fire Insurance Company will complete its organization and will go in operation at an early date. The company will be operated as a 100 percent board company, complying with all of the American agency system rules and regulations. It is not our purpose to place any new agencies in the business or place agencies with agents not members of local exchanges, where there are local exchanges.

"With reference to commissions, the Paramount will pay the standard board commissions wherever we operate, just as other board companies do. It is not our purpose to pay excess or contingent commissions. If our agents who are stockholders receive any additional earnings, it will be wholly through their stock ownership in our company, just as thousands of other agents now do through their stock ownership in other companies which they now represent."

sessions some lasting until after 1 a. m. when this vexing and delicate subject was discussed. The committee wanted to do justice to all hands. There were many slants that had to be considered. The Home executives, Vice-president Ashby Hill and Secretary M. E. Sprague, were on hand. The committee evidently hoped the Home would voluntarily revoke its arrangement.

Finding of Committee

W. E. Harrington, of Atlanta, past National president, insurance adviser and director of Paramount, conferred with the committee. Many prominent agents expressed their disapproval of the scheme to the committee.

At the last session, Chairman Sidney Smith presented the finding of the committee to an audience that was expectant

(CONTINUED ON PAGE 14)

Pearl Group Relations Closer

Official Changes Intended
to Unify Operations of
the Three Companies

NEW YORK—Knitting more closely the relationship of Pearl Assurance and its American affiliates, Monarch Fire of Cleveland and Eureka-Security F. & M. of Cincinnati, a number of changes in official position have been decided upon.

Alfred L. Merritt, United States manager of Pearl, is now president and a director of Eureka-Security and Monarch.

Vincent L. Gallagher has been elevated to assistant United States manager of Pearl and to vice-president of Monarch and Eureka-Security.

James C. Bachman of Cleveland is made vice-president of Monarch; George Nikola, branch secretary of Pearl and a director of Eureka-Security; George L. Doscher, who is comptroller of Pearl and treasurer of the two American companies, becomes a director of Monarch and Eureka-Security.

D. J. Cowie, in charge of Pearl's investment department and a director of Eureka-Security, becomes assistant treasurer of the latter company and assistant treasurer and a director of Monarch; P. H. Mell of Philadelphia, manager of the middle and southern departments of the group, becomes a director of Eureka-Security and Monarch, and Fred G. Krueger was made agency superintendent for all three companies.

The following were reelected to the posts previously held: Richard Inglis, chairman of the board; A. R. Horr, vice-president; William R. Daley, secretary; G. P. Fetick, assistant secretary, and George L. Doscher, treasurer Monarch Fire; Adam Benus, secretary; G. F. Fetick, assistant secretary, and George L. Doscher, treasurer Eureka-Security.

William M. Carlson is managing underwriter for the associated companies and C. J. Hock, agency superintendent.

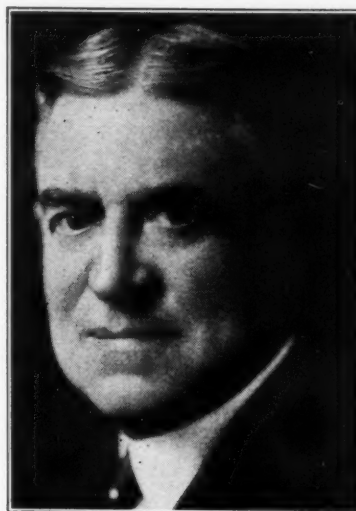


VINCENT L. GALLAGHER

Memorial Library for Gilbert Leigh

Project Is Launched at
Meeting of the Arkansas
Advisory Committee

LITTLE ROCK—Establishment of a J. Gilbert Leigh memorial insurance library as a section of the Little Rock public library has been projected. An-



W. R. MCCAIN

nouncement of the plans was made by W. R. McCain, president of Aetna Fire and a former Arkansan, at the Blue Goose luncheon here on the day of the annual meeting of the Arkansas advisory committee. Subscriptions were taken at that time and about \$150 was pledged. Additional funds will be raised.

Mr. Leigh, who died recently, was head of the L. B. Leigh & Co. general agency of Little Rock, was a prominent citizen of this state and for many years was chairman of the so-called Arkansas supervisory committee.

M. R. Smith Local Chairman

The advisory committee, composed of company executives from various underwriting centers, had a session in the morning with the Arkansas supervisory committee, which consists of special and general agents located in Arkansas. M. R. Smith, general agent for Firemen's, served as acting chairman of the advisory committee. Mr. Smith presented a report, which included a number of recommendations, the principal one being for an extension of the classes to which the supplemental contract is applicable.

The local committee then retired and the advisory committee pondered the recommendations that had been made.

At noon there was a luncheon of the Arkansas Blue Goose. T. F. Baker, manager Arkansas Fire Prevention Bureau, presided. He introduced the members of the advisory committee. Mr. McCain made a talk eulogizing the late Mr. Leigh and announced the project for the library in his memory.

(CONTINUED ON PAGE 15)

Forward Steps Are Taken by Agents at Midyear Meeting

Revision of National Association Constitution Goes Over to Boston Convention

By C. M. CARTWRIGHT

At the midyear meeting of the National Association of Insurance Agents at Hollywood, Fla., the executive committee recommended that the vote on the revised constitution be postponed until the Boston convention. The New England delegation made such a request.

At an executive session presided over by Chairman Sidney Smith, Gainesville, Fla., T. F. Southgate, Durham, N. C., presented a revised draft recommending that the president, vice-president and executive committee chairman be elected by the membership, that the executive committee be composed of 11 members, consisting of the three officers, four members at large appointed by the chairman and four to be elected, one each by the jurisdictional bodies. Furthermore, Mr. Southgate proposed that the National council elect its own chairman and adopt its own rules and regulations. The whole subject will go over to the Boston meeting.

W. Owen Wilson's Comment

W. Owen Wilson of Richmond, Va., in his talk on "Credit and Insurance," suggested that in cities where there are local boards and credit associations, the former should arrange joint meetings in the nature of an insurance clinic where but one subject will be taken up at a time. There should be arranged two meetings a year where insurance and credit men can discuss their mutual problems. Mr. Wilson said the day of sharp, smart selling is over. Agents must justify their calling and be genuine insurance counsellors.

At one session there was a forum for discussing casualty and surety selling, especially relating to mutual companies. There were four speakers: Norman B. McCulloch, production manager Globe Indemnity; H. R. Preston, Springfield, Mass.; John Carswell, Savannah, Ga., and T. G. Redden, Greensboro, N. C.

More Positive Attitude Needed

Mr. McCulloch opined that the agents have been always fighting against something. There is a need for a more positive attitude, viz., to fight for something. He believes that the stock agents are gaining in efficiency. Agents should be diligent in suggesting practical improvements in risks. They should keep in touch with changes and know how to apply them to the needs of individual customers.

Mr. Preston pointed out the value of good contracts in order that key men

(CONTINUED ON PAGE 12)

Monopoly Probe to Become Round Table Conference

Will Shortly Drop Present Inquisitorial Setup; Effect on Insurance Not Clear

NEW YORK — Announcement by Chairman O'Mahoney that Temporary National Economic (monopoly) Committee will shift the method of its hearings, where this is desired by a particular industry, to a round-table forum rather than the present more or less inquisitorial setup has aroused considerable interest among insurance men because of the fact that hearings on insurance, completed in their first phase, are scheduled for resumption sometime in the future.

Instead of the present system of having a federal department or commission investigate a given line of business or industry and then through questioning by an examiner bring out additional facts at public hearings, the new plan calls for the industry being examined to marshal its own facts and authorities and get together at a round table discussion with members of the monopoly committee. The first business with which the new plan is being tried is the oil industry. At first, at least, the new system will be followed only where the industry in question requests.

Senator O'Mahoney points out that the projected oil hearings will be the first to be conducted by the committee itself rather than by federal departments or commissions represented on the committee. The SEC, for example, has been handling the insurance investigation.

Chairman O'Mahoney also stated that presentations on the old basis have not been concluded and that some are still in preparation and will shortly be presented at public hearings. Whether insurance would be included in this group or whether the first phase having been concluded, it would be eligible for the round-table treatment, there was no evidence in the senators announcement.

Field Rally in Indiana

Louis Mickelsen, secretary Commercial Union group; Carl L. Bloom, Chicago, superintendent farm department; S. L. Kerrigan, Chicago, special agent all risks and inland marine department, and Chas. M. Heinze, Chicago, special agent brokerage department, held a two-day conference with the field men of Indiana in Indianapolis. Mr. Mickelsen and Mr. Bloom will go to Oklahoma City for a meeting with the Oklahoma field men.

New York Holds Moscow Assets

NEW YORK—The court of appeals holds that assets of the Moscow Fire of Russia, held in New York but claimed by the United States government as assignee of the Soviet government, must remain in this state for the benefit of policyholders and others who have filed claims. The Moscow transacted fire reinsurance in this country until the collapse of the old Russian regime, when it was taken over the New York department for the protection of American interests. Paul Razor who was the company's United States manager, is still living, though long since retired from active business.

E. B. Proctor, manager Cotton Insurance Association, is visiting the Texas representatives of the association this week in San Antonio.



FROM THE PARTY AT THE SURF CLUB AT MIAMI BEACH AT WHICH THE SERTEL-REDUCKA AGENCY, MIAMI, WAS HOST:

(Top)—Mrs. L. E. English, Richmond, Va., W. Owen Wilson, and Mrs. Wilson, Richmond. (Center)—C. S. Roberts, assistant secretary Indemnity of North America; C. F. Rupprecht, assistant to the vice-president North America. (Bottom)—Mr. and Mrs. Sidney O. Smith and daughter, Caroline, Gainesville, Ga.

THIS WEEK IN INSURANCE

National Association of Insurance Agents turns thumbs down on Paramount Fire. **Page 3**

National Association of Insurance Agents' activities at its midyear meeting are reviewed. **Page 3**

Vincent L. Gallagher is elected assistant United States manager of Pearl and a number of other changes are made in the group that are intended to unify the operations of the three constituent companies. **Page 3**

Project is launched to create J. Gilbert Leigh Insurance Library in Little Rock at meeting there of Arkansas advisory committee. **Page 3**

National Association of Insurance Agents executive committee had strenuous work at the Hollywood midyear meeting. **Page 6**

Much interest in agency licensing and countersignature laws. **Page 5**

Program is announced for annual meeting of National Fire Protection Association in Chicago. **Page 8**

B. P. Carter, Richmond, Va., general agent, wins acclaim for his attack on consumer cooperatives at Hollywood meeting. **Page 40**

Monopoly committee to drop inquisitorial method, shifting to round table conferences. **Page 4**

T. J. Pendergast and R. E. O'Malley indicted by Kansas City grand jury in connection with Missouri rate compromise. **Page 5**

Much interest is taken in the 18 "suggestions" of the Illinois Insurance department for changing the rate and rule setup in respect of automobile insurance. **Page 20-A**

Inclusion of fidelity cover with burglary policy seen as key to new field. **Page 19**

Colorado legislative investigation exposes shady deals in connection with the operation of International Mutual Liability of Denver. **Page 19**

Plans for conducting agency meetings reviewed at meeting of Chicago Accident & Health Association. **Page 20**

National Bureau adds drive other cars, limited hired cars and limited private non-ownership coverage to private passenger automobile liability policies without charge. **Page 19**

Needn't be specialist to sell accident and health insurance, New York agents told. **Page 28**

Seek to Get All Hands to Join One Illinois Bureau

In an endeavor to set up acceptable machinery for compliance with the Illinois code provision for rate control of the personal property floater, a joint committee of the Inland Marine Underwriters Association and of non-I. M. U. A. stock companies, had a two-day meeting in Chicago this week with Ray T. Nelson and H. A. Miller of the Illinois insurance department.

J. C. Keegan, Providence Washington, presided. The other I. M. U. A. representatives were: S. W. Carey, III, Appleton & Cox; L. C. Lewis, North America; A. C. Charles, attorney, and Mr. Boyland of St. Paul F. & M.

The non-I. M. U. A. group was represented by H. C. Stoll, Millers National; Paul Lange, General of Seattle; H. E. Mankin, Pacific National; Paul Oliver, Dubuque, and Kenneth Hinton, Northwestern National.

A few weeks ago all but one or two companies that belong to the I. M. U. A. joined the newly created Illinois Personal Property Floater Bureau. The non-I. M. U. A. companies had numerous conferences and most of them finally decided to set up an independent bureau. A committee went to Springfield last week to confer with the department. It was told that the department does not contemplate regulating commissions in connection with the personal property floater and that the department desired very much that there be only one bureau. The deliberations this week were undertaken to see if a plan acceptable to both elements in the business and to the department could be devised.

Assignments Made for State Meetings

The National Association of Insurance Agents has made the following assignments for state meetings: Louisiana, Sidney O. Smith, Gainesville, Ga.; North Carolina, C. F. Liscomb, Duluth; Nebraska, Wayne C. Meek, Seattle; Alabama, Georgia and Mississippi, J. M. Crosby, Jr., Grand Rapids, and Sidney Smith; Texas and Arkansas, Payne Midyette, Tallahassee; New York and Virginia, W. H. Menn, Los Angeles; Iowa, C. F. Liscomb, Missouri; R. W. Forshay, Anita, Ia.; Montana and Idaho, Wayne C. Meek; South Carolina, S. O. Smith; Kentucky, W. H. Bennett; New England, W. H. Menn; Oklahoma, John K. Boyce, Amarillo, Tex.

Kline Secretary, Baker Treasurer of Standard, N. Y.

NEW YORK—S. C. Kline is now secretary and R. V. A. Baker, treasurer, of Standard of New York, having been elected at a recent meeting of the board.

Mr. Kline started as an office boy with the old New York Bowery, serving under the late E. L. Ballard, subsequently president of Merchants Fire. His next connection was with Svea Fire & Life. In 1909 he joined Aachen & Munich, of which J. A. Kelsey was the manager. When the business of the German company was reinsured in Tokio Marine & Fire in 1918 upon the entry of the United States into the war, he went with Tokio. When Standard was formed in 1922, as an affiliate of Tokio, Mr. Kline served that company as well as its agency superintendent.

Mr. Baker went to Standard in 1930 as chief aid to the late C. L. Henry, head of the accounting department of the associated companies. He had previously served with Mr. Henry in the old Weed & Kennedy organization.

N. J. Nelson, Hollywood agent, has been elected a member of the Los Angeles city council.

Much Interest in Countersignature and License Laws

Position of National Association of Insurance Agents Is Set Forth

At the meeting of the National Association of Insurance Agents at Hollywood, Secretary W. H. Bennett presented its position on agency license and countersignature laws following the resolution adopted at the last annual convention instructing the executive committee to investigate the subject and recommend a uniform measure.

Mr. Bennett recited the preliminary study before a first draft was made and sent to the committee members for criticism and suggestion. After the returns had been canvassed a second draft was drawn up.

The committee met in New York City in January. After much deliberation it was decided, so far as countersignature was concerned, this should be confined to a local agent regularly licensed, working on a commission basis and no company salaried officer or employee should be permitted to sign policies.

Bears Signature of Officers

Mr. Bennett stated that state laws require that a policy be signed by a licensed agent in the state. If a commission agent or salaried employee were licensed, it has been the custom for any such to sign the policy. Mr. Bennett explained that when the policy reaches the agent, it already bears the signature of company officials. He took the ground that the signature of another salaried employee is not contemplated. The salaried employee is not independent. He works on instruction from his superiors. Therefore, the public interest is better served by the countersignature of an independent contractor, one who is master of his own time and movements. He therefore can approach his duty impartially and is not subject to dictation. Mr. Bennett said his organization is asking for equity and nothing else.

A delegation from the executive committee was sent to the Association of Casualty & Surety Executives to ascertain if it would agree to the proposal of having only a commission agent do the signing. The officials stated they would need to have a copy of the proposed measure and submit it to its laws committee. If it was held to be constitutional, then negotiations could be entered into. Mr. Bennett said that about three months had passed but no word had come from that body.

Mr. Bennett referred to the restrictive laws in some states that designate the commission to be paid to a resident agent by an outside agent controlling the business, for countersignature. They are not alike, differing as to division. Some states having such laws are Virginia, the two Carolinas, Georgia, Kentucky, Louisiana, Montana. In Montana, for example the resident agent must receive all the commission.

Objects to Stipulated Amount

Speaking personally Mr. Bennett declared he could not view any act which prescribes the amount of commission with any enthusiasm. The two contracting agents, he believes should agree on the division.

As to the fire companies he said there had been expressed no opposition. An

(CONTINUED ON PAGE 20D)



FROM THE NATIONAL AGENTS MID-YEAR CONCLAVE:

(Top)—Ross E. Coffin, Indianapolis, state president; Mrs. Ray C. Fox, Indianapolis; (Inset)—Jennie Sue Daniel, editor "American Agency Bulletin." (Bottom)—Herman J. Haas, Atlanta, and A. A. Cooper, Rome, Ga.

Get Ready for Grand Nest Rally

CINCINNATI—Ohio Blue Goose grand nest executive committee members will meet with chairmen of Cincinnati committees in charge of various arrangements for the grand nest meeting here Aug. 29-31 at a dinner here April 22 to discuss plans. According to present arrangements, there will be an informal reception for grand nest officers Monday evening, Aug. 28. The golf tournament is scheduled for the following afternoon. There will be a play off for the Ohio pond trophy at that time. For non-golfers, sightseeing trips have been arranged that afternoon. In the evening, there will be a cocktail party and informal dance.

Wednesday afternoon has been left open. Thursday afternoon there will be bridge for the ladies and a boat trip on an Ohio river steamer to Coney Island. Entertainment in the evening will be on a real river showboat. Business sessions will be held Tuesday, Wednesday and Thursday mornings.

Because of the central location of Cincinnati and its geographical position near places of historic interest, a record attendance is anticipated. Many planning to attend the meeting have arranged their vacations to include that week.

A. C. Guy, Western Adjustment, Columbus, is general chairman and B. F. Flood, Royal-Liverpool, Columbus, is executive secretary of the grand nest committee. H. R. Underwood, Providence Washington, Columbus, is chairman of the executive committee and H. L. Rubrecht, St. Paul F. & M., Columbus, is vice-chairman.

G. J. Burrer, Travelers, 1313 Carew Tower, Cincinnati, is in charge of reservations. Headquarters and all sessions will be at Hotel Netherland Plaza.

Ralph W. Hukill, Great American, Norwood, O., most loyal grand gander of the Blue Goose, has been confined to his home for three weeks with a number of complications. Mr. Hukill was out

Montee Chicago Manager of Aero

NEW YORK—Aero Insurance Underwriters has appointed Harold Montee as its manager in Chicago, succeeding J. R. Graham, who recently became Chicago manager for United States Aviation Underwriters.

Mr. Montee has been for the last nine years an aeronautical inspector with the Civil Aeronautics Authority and its predecessor, the Bureau of Air Commerce. He has more than 4,000 flying hours to his credit, all without accident and has been engaged in aviation since 1919.

His duties with the government included supervision and checking of all types of aircraft operation and won him a highly favorable reputation in this field. Previously he and his brothers operated an aircraft service in Los Angeles.

Aero is taking larger quarters in the Insurance Exchange building.

Asks Study of Michigan Laws

LANSING, MICH.—Following out suggestions from several quarters, notably from former Commissioner Gauss, Senator Hammond, chairman of the senate insurance committee, has introduced a bill in the Michigan legislature providing for the creation of a special commission to study the insurance laws and make suggestions for a re-codification by the 1941 legislature. The bill provides that a seven-member commission, to serve without compensation but with a \$5,000 expense appropriation, be designated by the governor. The commission could name subcommittees to conduct research in special phases.

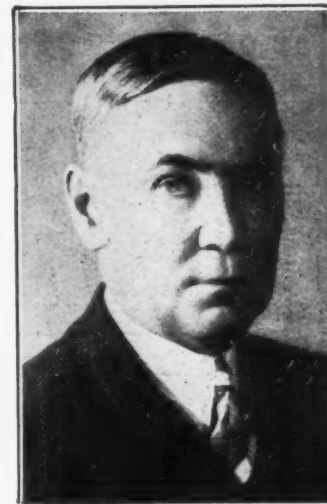
for the first time at a luncheon given by the Cincinnati puddle for B. S. McKeel, General Cover Department, New York, grand custodian, who spent a day at Cincinnati.

Missouri True Bills Cause Great Surprise

Relief Is Felt, However, That the Case Is Out in the Open

The fire insurance business is deeply chagrined at the news from Kansas City of the indictments by a federal grand jury of T. J. Pendergast, Kansas City political leader, and R. E. O'Malley, former Missouri insurance superintendent. Pendergast is charged with having received from the late Charles R. Street of Chicago \$315,000 which he did not report for income tax purposes. O'Malley is charged with having received \$62,500 and failing to report.

Many leaders in the business had come to the conclusion that the story of how Mr. Street disposed of the \$447,000 that he collected from the fire insurance companies in 1935 and 1936 had been buried with Mr. Street and that it would never be told. Hence there was distinct surprise when the grand jury voted the true bills. It can also be said that the responsible leaders



R. E. O'MALLEY

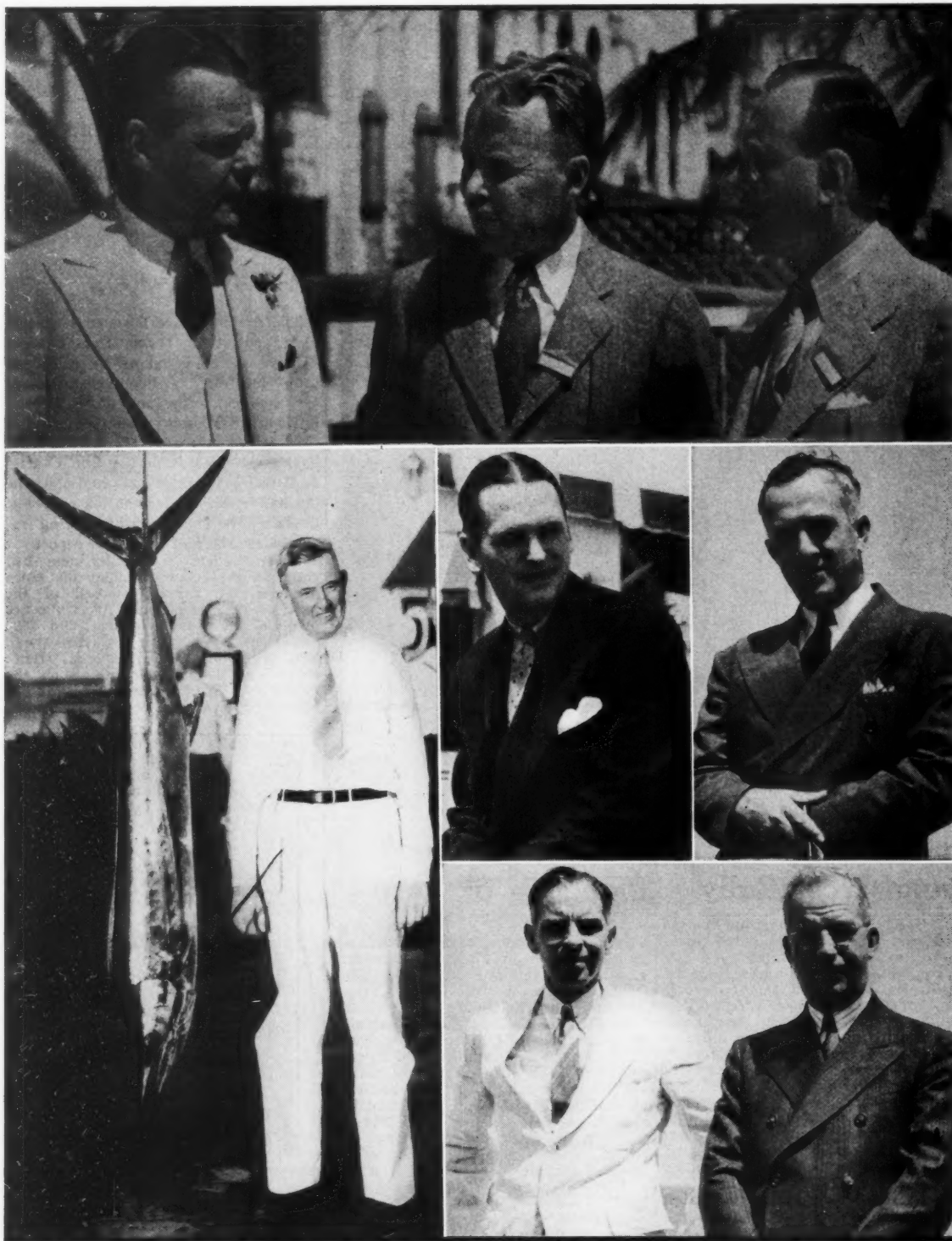
in the business are relieved that the case is out in the open. It means that the worst is known whereas had there been no conclusive action on the part of the grand jury the business might have suffered under a rather lingering shadow of suspicion.

Helped to "Break" the Case

It is indicated that a group of fire insurance chief executives that were summoned to appear before the grand jury did everything in their power to help "break" the case. According to daily newspaper dispatches these executives called into conference A. L. McCormack, head of the Charles L. Crane Agency Company of St. Louis, the day before Mr. McCormack's final appearance before the grand jury. They insisted, according to these reports, that Mr. McCormack give the full particulars that were in his possession to the grand jury.

The common report is that Mr. McCormack, who was close to Pendergast and O'Malley, was the man who induced Mr. Street in 1935 to enter negotiations for a compromise of the Missouri rate case, which dated from 1922 and which Mr. Street virtually had di-

(CONTINUED ON PAGE 20C)



FROM THE SERTEL-REDUCKA PARTY AT THE SWANKY SURF CLUB AT MIAMI BEACH, FLA.:

(Top)—H. R. Preston, Springfield, president Massachusetts agents association; Ray C. Dreher, advertising manager Boston and Old Colony, and Louis Hoffman, John C. Paige & Co., Boston, a delegation stimulating interest in annual meeting of National Association of Insurance Agents in Boston.

(With sailfish)—L. W. Garlich, St. Joseph, Mo. (Above)—J. M. Crosby, Jr., Grand Rapids, Mich., Payne Midyette, Tallahassee, Fla. (Below)—W. S. Vanderbilt and G. S. Atkinson, assistant secretaries Hartford Fire.

Combined Policy of North America for Fair Travel

The North America group is capitalizing on the expected travel to the New York and San Francisco fairs by offering an "all in one travel policy," which may be written for one month or two months. It includes loss of personal effects usually carried by tourists, up to \$50 on jewelry, watches, silver, gold, platinum and furs, \$500 on other wearing apparel, baggage and equipment, holdup up to \$150 on money, securities, railroad and other tickets, and \$100 on jewelry, watches, silver, gold, platinum and furs, personal liability, including sports liability, up to \$10,000 and personal acci-

dent. The accident feature pays \$1,000 for loss of life, \$1,250 to \$5,000 for dismemberment and medical and hospital expenses up to \$1,000.

The premium is \$12.50 for one month and \$18.75 for two months.

The personal effects, holdup and personal liability features apply to members of the assured's immediate family. The personal accident section covers the assured only, but members of his family may be included for additional premium.

At the assured's option, any of the automobile fire or casualty coverages may also be issued in the same policy. The automobile lines, however, will be written for the full annual term. Fire and inland marine lines will be written in any fire company in the North America

Walter Millar to Cincinnati for North America

Walter Millar, who has been assistant marine manager in the western department of North America, has been transferred to Cincinnati, where he is engaged in reorganizing the service office there for fire, casualty and marine lines. The activities of the office will be expanded under Mr. Millar's jurisdiction. In addition to the local business in all lines, the service office supervises marine business in Kentucky and Tennessee as well.

group and the Indemnity of North America will write the casualty line.

Committee Sessions Were Strenuous at Hollywood Rally

The executive committee of the National Association of Insurance Agents consumed no end of time at the Hollywood convention in meeting. It started the Friday evening before the convention commenced and ended after an evening session last Friday. It met all the afternoon Thursday after the convention adjourned. It met every day and sometimes three times a day for eight days. Some sessions lasted until 1:30 a. m.

The committee had some very perplexing problems with which to deal and seemingly there were more demands to be met than usual. In the post-convention session Past Presidents E. J. Cole of Fall River, Mass., Allan Wolff of Chicago, and W. O. Wilson of Richmond, Va., sat in with the committee.

Invitations were received for the 1940 midyear meeting from Wichita, Kan., and Indiana, the Hoosier delegations wanting the convention at French Lick. The committee will make more investigation of facilities and prices before a decision is reached.

The committee discussed plans for publicizing the main features of the address and material given by B. P. Carter of Richmond, Va., on consumer cooperatives.

W. H. Jennings, president, and Mrs. L. L. Herring, secretary, Illinois Association, explained her plan for insurance publicity by large roadside signs.

LEGISLATION

Pennsylvania—A bill has been introduced in the Pennsylvania legislature requiring fire companies to pay a flat 25 percent commission to all producers on all types of business. The commission scale in Philadelphia, Philadelphia suburban and Allegheny county is considerably higher than in other parts of the state. If the bill threatens to get legislative attention, it will face some stiff opposition from agents in the excepted territories.

The Pennsylvania Association of Insurance Agents in its legislative bulletin observes that the experience of two years ago is being duplicated. At that time the bills most seriously affecting insurance made their appearance in the latter part of the session. From now on anything may happen, the bulletins warn.

Texas—The senate has passed house bill 249, providing for a uniform liquidation system with the appointment of conservators by the insurance commission. The senate added a provision giving the liquidator the authority to re-insure.

The senate passed a bill requested by Commissioner Woodward providing for \$40,000 in fees as an appropriation for the operation of the department.

Iowa—The house passed Senate bill 289 permitting mutual companies to write additional coverage including animal health, explosion and riot. The bill goes to the governor for his signature.

Florida—The Florida Insurance Agents Association reports a state rating bill is to be backed if not presented by Senator Beacham. This is one of the bills that come up every session, and is dangerous when there is a low fire loss ratio the year immediately preceding the session as was the case in 1938.

Massachusetts—House has rejected bills to require approval of agency contracts by insurance commissioner; to redraft the insurance laws of the state, and to grant free licenses to brokers over 65 years of age.

Michigan—The personal property floater would be included as an inland marine coverage under terms of a bill introduced by Representative Joseph Nagel, Detroit agent.

THE *Golden Gate* INTERNATIONAL EXPOSITION

ON NEWLY CREATED TREASURE ISLAND IN SAN FRANCISCO BAY.

The "Pageant of the Pacific" Presents a World in Miniature.



Firemen's Insurance Company of Newark, N. J.
 The Girard Fire & Marine Insurance Company
 National-Ben Franklin Fire Insurance Company
 The Concordia Fire Insurance Co. of Milwaukee
 Milwaukee Mechanics' Insurance Company
 Pittsburgh Underwriters • Keystone Underwriters
 The Metropolitan Casualty Insurance Co. of N. Y.
 Commercial Casualty Insurance Company

FIRE • MARINE • CASUALTY • SURETY

Loyalty Group
 INSURANCE

Western Department
 844 Rush St.
 Chicago, Illinois

Canadian Dept.
 461 Bay St.
 Toronto, Canada

HOME OFFICE
 10 PARK PLACE
 NEWARK, NEW JERSEY

Southwestern Dept.
 912 Commerce St.
 Dallas, Texas

Pacific Department
 220 Bush St.
 San Francisco, Calif.

Testimonial for Wentworth at N. F. P. A. Rally

A testimonial dinner is to be given for Franklin H. Wentworth in Chicago May 10 in view of the fact that he is retiring at that time as managing director of the National Fire Prevention Association. That will be a feature of the annual meeting of the N.F.P.A. in Chicago, May 8-12.

The program for the annual meeting has now been completed. As usual a vast number of reports on matters of minute technical interest are scheduled.

Samuel D. McComb, president of the Marine Office of America, has been nominated for reelection as chairman of the marine section of the N.F.P.A. as well as for reelection as president of the organization. H. C. Smith is nominated for vice-chairman of the marine section and A. J. Smith for secretary.

Fire Marshals Program

The fire marshals' section will have its meeting May 8 throughout the day. Fred B. Watkins is chairman. Among the addresses scheduled for that meeting are: Ray Mottesheard, president International Association of Fire Chiefs, "Cooperation of Fire Marshals and Fire Chiefs;" J. S. Clinton, Philadelphia fire marshal, "Experience with Adjusters;" Sherwood Brockwell, North Carolina fire marshal, "A Statewide Fire Department Plan;" Park Roberts, Akron, O., "Educational Work with Children." A number of subjects have been scheduled for round table discussion with leaders designated to get the ball rolling.

A section of the Railway Fire Protection Association will also hold forth May 8. The marine section will have its meeting the afternoon of May 8. Mr. McComb will give his report and a number of addresses will be made.

The first general session of the N.F.P.A. will be held Monday evening. Mr. McComb will give his address as will Mr. Wentworth. Other committees will report at that time and J. H. Riddell, president Dominion Board of Insurance Underwriters, will speak on "Fire Prevention Progress in Canada." Louis Brownlow, director of public administration clearing house, will talk on "Municipal Administration."

Loud Speaking Equipment

At the Tuesday morning session addresses will be given on "Loud Speaking Equipment and Radio in the Fire Service;" "Determination of Friction Loss in Fire Hose" and "Rural Fire Fighting." There will be a number of committee reports. That afternoon there will be a fire waste forum with George W. Elliott as chairman.

Wednesday morning an address will be given by Henry E. Halpin on "The Personal Element in Fire Loss Prevention." A number of reports will be given at that session. H. B. Whitaker, Underwriters Laboratories, will speak on "Electric Fences — Safeguarding the Fire and Personal Injury Hazards," that afternoon.

Program for Thursday

Thursday morning George F. Prussing, Los Angeles, will talk on "The Fire Safety Program of the Pacific Coast Oil Industry." On Thursday afternoon there will be a visit to the Underwriters Laboratories. That evening there will be an inspector's forum presided over by K. W. Adkins, Missouri Inspection Bureau. I. T. W. Babcock, Western Factory, will lead a discussion of "Inspection of Air Condition Installation & Maintenance of System." George S. Lawler, factory mutuals, will give a talk on "Inspection for Maintenance of Electrical Equipment."

At the Friday morning session there will be an address by Horatio Bond, field engineer for N.F.P.A. on "Problems in the Use of Public Water Supply for Private Fire Protection."

Former President of New York Agents Dies



EUGENE A. BEACH

Eugene A. Beach, president of the Beach, Clover and Newhall agency, Syracuse, N. Y., and a former president of the New York State Insurance Agents Association, died at his home there. He established the agency of which he was the directing head 30 years ago.

About a year ago Mr. Beach suffered a severe illness. Last month he enjoyed a trip to Nassau, returning about two weeks ago. He had served as secretary of the New York State Association of Local Agents four terms from 1920 to 1924, and then as president for two terms from 1924 to 1925.

Before entering the insurance business in Syracuse, Mr. Beach was engaged in newspaper work in Weedsport, about 20 miles from there.

About a year ago Mr. Beach's partner, Benjamin Newhall, died, and soon

Research Unit Is Advocated

Prof. Ralph H. Blanchard of Columbia University, in addressing a meeting of the Insurance Accountants Association in New York, advocated the setting up of a research organization in insurance to the end that facts rather than opinion shall govern the decisions that are made.

"The extent to which opinions rather than facts rule the business is a matter of common observation," he said. "Legislative proposals, good or bad, seem to receive much the same treatment from insurance people. A change per se is bad and should be defeated. Attention is concentrated on tactics and strategy to that end, rather than on attempting fundamentally to improve the situation. Success of fire insurance seems to have bred distrust of change, an almost religious faith in things as they have been. Rightly or wrongly, the notion has got abroad that they are possessed of a negative attitude; that they may be depended upon to resist innovations and encroachments."

"It is difficult to recall any important ameliorative insurance legislation originated and proposed by insurers, although full credit should be given for their efforts in the field of prevention of losses."

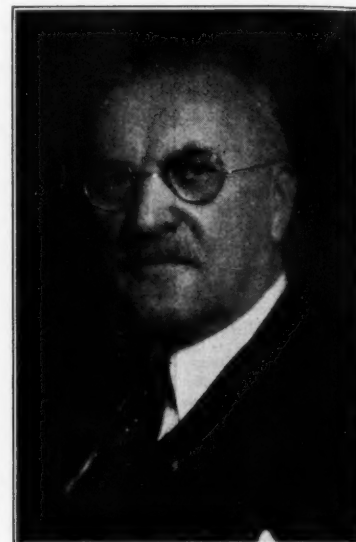
"It would be the function of research to build up a body of significant statistical data to study specific problems, to replace impressions with factual conclusions, maintaining at all times a scientifically critical attitude."

after Harry T. Clover, formerly with Travelers in Syracuse, became associated with the agency. Mr. Beach's daughter, Mrs. Dorothy Beach Canfield, and Verona S. Young are also active in the agency.

O. K. Hartford College Bill

HARTFORD—A favorable report has been given on the bill for chartering the Hartford College of Insurance, and it is expected to be granted by the legislature next week.

Name Slate for Insurance Society of New York



JOHN J. KING

John J. King, president Hooper-Holmes Bureau, has been nominated for president of the Insurance Society of New York. The election is to be held May 23. William G. Minner of Minner & Barnett and W. A. Riordan, manager city fire department Automobile of Hartford, are nominated for vice-presidents; Edward R. Hardy, secretary of the Insurance Institute of America, for secretary, and Frank F. Koehler for treasurer. J. W. Russell is chairman of the nominating committee.

Doyle Advises on Georgia and Louisiana Tax Returns

NEW YORK—Advising member companies of the National Board as to the method of preparing premium tax returns for the Georgia and Louisiana departments, General Counsel J. H. Doyle says:

"A measure to change the formula in Georgia for computing premium taxes from the net retained to the net direct basis failed of enactment. Under the circumstances and in order to avoid confusion the department feels it is necessary to require insurance premium taxes to be returned for the 12 months ending April 30, 1939, on the net retained basis; that is, deduct reinsurance ceded to other companies authorized to do business in the state and include all reinsurance accepted. Such return should be accompanied with a statement that payment is made as a matter of compromise and to effect settlement."

As to Louisiana, he says: "Under date of March 30, companies were circularized by G. F. Purvis, Jr., attorney in the office of the secretary of state of Louisiana, in respect of the retaliatory law of that state. This matter has been referred to counsel and we suggest no action be taken and no reply be made pending our further advices."

Virginia Well Organized

RICHMOND, VA.—Manager O. H. West of the Virginia Association of Insurance Agents reports that with the 14 local boards in the state, the chief cities are well covered. For the present Manager West is promoting joint meetings of local boards and retail merchants to counteract the consumer cooperative movement.

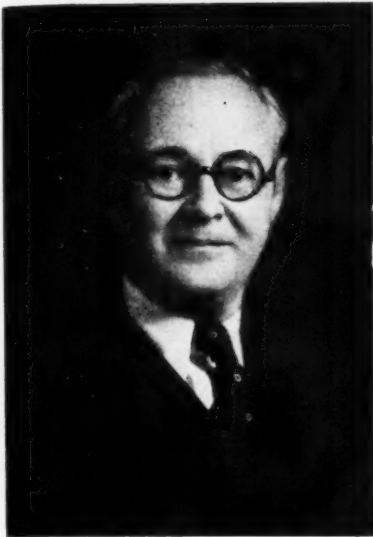
Gladney Jean, who has been manager of the Magnolia Insurance Agency, Magnolia, Ark., has resigned, and T. A. Monroe, Jr., has been elected manager and secretary-treasurer.



FROM THE HOLLYWOOD, FLA., AGENTS CONVENTION:

(Top)—T. T. Elmore, special investigator, Florida department; L. C. Sledge, engineer Southeastern Tariff Association; J. H. Talley, deputy Florida department. (Bottom)—Gale C. Morgan, Washington, D. C., Stock Company Association; A. P. Morey, Chicago, Stock Company Association; F. R. A. McGlyn, Worcester, Mass.

20-Year History Told in Marine Office Souvenir



S. D. McComb

NEW YORK—To commemorate its 20th anniversary, Marine Office of America has an attractive booklet showing the development of ocean and inland marine insurance in the United States since the war and its present position. Entitled "Two Decades of Achievement," this book points out that prior to 1914 American export business was comparatively limited and about 90 percent of the foreign commerce was carried in ships of other countries, with banking, financing and marine insurance arrangements entirely in the hands of foreign institutions. The war brought out a tremendous need on the part of European countries for American manufactured products and also transferred a large part of the South American export and import trade to the United States. At the same time, foreign ships became unavailable for American commerce and foreign financing and marine insurance arrangements were disrupted. Under the United States Emergency Fleet Corporation, about 4,000 ocean going ships were put into service, American banks opened branches abroad and American insurance companies entered the marine field. On March 1, 1919, Marine Office of America opened for business, acting as the marine department of American of Newark, America Fore group, Firemen's of Newark, Glens Falls and Hanover. It still represents the same companies.

Marine Office of America now has four branch offices. The San Francisco office was originally the marine department of Niagara Fire, which was taken over by Marine Office of America when Niagara became part of the America Fore group in 1930. The western department at Chicago was opened in 1931, the southern department at New Orleans in 1932 and the northwestern department at Seattle in 1934. The United States P. & I. agency was purchased from the United States Shipping Board in 1929 and a marine casualty department was opened in 1930, writing ship owners and ship repairers liability lines.

Scope of Business Shown

The booklet shows the departmental and service offices of Marine Office of America, principal American trade routes, with locations of Marine Office claims and settling agents and diagrams of principal American exports and imports. It contains a number of illustrations of different aspects of ocean shipping and risks which are covered by inland or ocean marine policies, including aircraft and camel caravan travel.

S. D. McComb is manager of Marine Office of America, with O. S. Corry and C. P. Kremer, assistant managers. The

executive committee comprises L. E. Falls, American of Newark; B. M. Culver, America Fore; W. B. Rearden, Firemen's; F. L. Cowles, Glens Falls, and F. A. Hubbard, Hanover.

Blackall to Address Finance Men

Commissioner Blackall of Connecticut will be guest speaker at the meeting of the New England Association of Automobile Finance Dealers in Hartford April 17. As chairman of the special committee of the National Association of Insurance Commissioners on automobile financing, Commissioner Blackall will call a special meeting of that com-

mittee to formulate a report for presentation at the convention of the commissioners in San Francisco in June.

Chicago Examiners to Elect

The Association of Fire Insurance Examiners of Chicago will hold its annual meeting April 20 at 5:30 p. m. in De Mets Board of Trade Grill. R. H. Erickson and R. J. Petrick, chairmen of the blue and red tickets respectively, reported that Anthony Svec, Pacific National, was named for president by their committees. Others nominated were:

Blue ticket: John Porick, Hanover Fire, vice-president; A. H. Adland,

Hartford Fire, secretary; H. C. Brose, America Fore, treasurer, and C. D. Hoe, Fidelity & Guaranty Fire; J. P. Rehling, Providence Washington, and P. A. Magnuson, North America, for directors.

Red ticket: R. L. Stafford, Hartford Fire, vice-president; G. J. Hutson, Springfield F. & M., secretary; R. M. Duddles, Atlas, treasurer, and Edwin Merchant, Springfield F. & M.; A. G. Sutter, Continental, and O. E. Gray, America Fore for directors.

After the election a sound film of the lumber industry will be shown.

Read "Surety Agents' Guide" by Lunt. \$1.50. Order from National Underwriter.



Organized 1849

It was during the Gold Rush days of '49 that the Glens Falls was first conceived and organized. It is a far cry from the covered wagon days to this age of speed —of automobiles, of steamships, of streamlined trains and the airplane. Strange and wonderful as these changes in transportation have been, they do not overshadow those which have taken place in the insurance business. Ninety years ago companies wrote practically nothing except fire, life and marine. Little was known about the scientific making of rates or the setting up of adequate reserves. Consequently companies commenced business and ceased operations with alarming rapidity. To live through such times required the most skillful management. Furthermore as the years passed by, the public required more and different kinds of insurance. Credit began to lean heavily upon proper insurance protection. Through all these vicissitudes and changes the Glens Falls has progressed without faltering. It has kept pace with the times and during its ninety years feels that its policy of "modern management tempered by time" has been no small factor in its success.

"Old and Tried"

Organized 1849

Glens Falls

INSURANCE COMPANY

Glens Falls, N. Y.

COMMERCE INSURANCE CO.



GLENS FALLS INDEMNITY CO.

NEWS OF FIELD MEN

Ohio Pond Elects May 1; Plan for Grand Nest Meet

The Ohio Blue Goose will hold its annual meeting in Columbus May 1. Homer Rubrecht, St. Paul Fire & Marine, is most loyal gander. The meeting will begin with a rally at 5:30, dinner at 7, and then the business meeting, including election of officers and initiation. It is expected that T. O. Dye, Connecticut Fire, will be advanced to most loyal gander.

This is being billed as a pre-convention meeting, being the last business or social function of the Ohio pond until the grand nest meeting in Cincinnati, Aug. 29-31. A very interesting and attractive program for that meeting has been adopted by the executive committee under General Chairman Allen C. Guy, Western Adjustment. It will be presented to the executive committee and to the chairmen of all committees at a special meeting just before the business meeting, by Bernard F. Flood, Royal-Liverpool groups, for their approval.

Committee work has advanced very satisfactorily and large delegations are promised from the neighboring ponds to swell the numbers at the grand nest meeting. No effort will be spared to make this the most successful grand nest meeting on record.

Bartlett Succeeds Kindler

H. H. Bartlett has been appointed special agent in Seattle for the St. Paul group, succeeding Arthur Kindler, who recently went to San Francisco with Crum & Forster. Mr. Bartlett has been with the Home of New York in Oregon and Washington.

R. R. Robertson, superintendent of agencies Northern Assurance, succeeds Mr. Kindler as secretary-treasurer of the western Washington division of the Special Agents Association of the Pacific Northwest. Harry Rowles, North British & Mercantile, takes Mr. Robertson's place on the executive committee.

Taggart to General of Seattle

A. J. Taggart has been appointed special agent of the General of Seattle group in that city. He has been with the Glens Falls since 1936 and before that with Swett & Crawford and with the Sun in California.

Malone with Union of Indiana

The Union of Indiana has appointed B. M. Malone special agent for Iowa to assist State Agent E. A. Schumacher, who has both Iowa and Illinois. Mr. Malone has been a local agent at Chariton, Ia., for 10 years and will continue to make his headquarters there in the Penick building.

Firemen's Texas Changes

Several changes and promotions have been announced by the Firemen's of Newark in Texas. E. L. Stephens has been appointed special agent in the Rio Grande valley with headquarters at San Antonio. For the last two years he was chief underwriter in the southwestern department's automobile division at Dallas. Joe Binford succeeds Mr. Stephens in the automobile department. Edward C. Allen, Dallas, who has been adjusting fire losses, has been given additional duties assisting Special Agent Tom Chatfield in the north Texas and Panhandle territory.

Kansas Meetings in Wichita

The annual meetings of the Kansas Fire Underwriters Association, Blue Goose and Kansas Fire Prevention Association will be held in Wichita May 9-11, followed by a regional Business Development meeting. The golf tournament and "splash" of the Blue Goose will furnish entertainment and recreation.

Takes Va. State Agency of Corroon & Reynolds Group

A. B. Roome, who resigned recently as eastern department manager of Republic of Texas, has joined the Corroon & Reynolds companies as Virginia state agent with headquarters in Richmond. Mr. Roome is a well known and respected insurance executive. His first connection with the business was with the Sanborn Map Company. Later he became chief inspector of special hazards of Continental and later manager of its Brooklyn and Long Island department. He went with Westchester in 1918 as agency manager and was appointed assistant secretary the next year. In 1924 he went with Independence Fire as vice-president. He then had a period of service with the old Aero Insurance Company, was connected with Lincoln Fire in Chicago and then with the Republic, first in Chicago and then in New York.

Form K. C. Insurance Forum

KANSAS CITY — The Insurance Forum of Kansas City has been formed by a group of field men, inspection and audit bureau men and adjusters to broaden members' knowledge of general insurance and aid them in presenting it to the public.

A. F. Nelson, New York Underwriters, is president; E. O. Sullivan, Hartford Steam Boiler, vice-president; Park Chambliss, Home of New York, secretary; Harry Crawford, Missouri Audit Bureau, treasurer.

Iowa Annual Meetings May 26

The Iowa Fire Underwriters Association and Iowa Blue Goose will hold their annual meetings in Des Moines May 26. A banquet will be held in the evening.

Town Inspections Scheduled

The Ohio Fire Prevention Association will inspect Lisbon Thursday of next week; the Kentucky association will inspect Versailles on the same day;

Michigan association will inspect Port Huron with R. E. Vernor, Western Actuarial Bureau, addressing a public meeting, and the Indiana association will inspect Terre Haute next Wednesday and Thursday with J. Burr Taylor, Western Actuarial Bureau, addressing a luncheon meeting.

Piedmont Fire Selects Murphey

L. C. Murphey has been appointed general agent for Georgia by Piedmont Fire of the Aetna fire group. The agency, which is for all lines, will operate as Lyman C. Murphey & Co., with headquarters in the Trust Company of Georgia building, Atlanta. He also is general agent of World F. & M. of the Aetna group.

Foulke Assigned to Virginia

S. R. Foulke, engineer of the North America, working out of the head office, has been assigned to Virginia with headquarters in 408 American building, Richmond. He has been at the home office for three years.

Ohio Preventionists' Annual June 5

The Ohio Fire Prevention Association will hold its annual meeting in Columbus June 5. R. E. Vernor, Western Actuarial Bureau, Chicago, will be the speaker.

South Texas Pond Elects June 2

The South Texas Blue Goose will hold its annual meeting at Galveston June 2. Allan Hickman, Phoenix of London, is most loyal gander.

Lumpkin to Trezevant & Cochran

J. H. Lumpkin, formerly special agent Phoenix of London group, and more recently doing work outside of the insurance business, has been appointed special agent at San Antonio for Trezevant & Cochran, succeeding S. H. Rolston, deceased.

Illinois Blue Goose to Initiate

The Illinois Blue Goose will conduct an initiation in Hotel La Salle, Chicago, May 8 following a dinner at 6:30. J. E. Guy, automobile superintendent America Fore, most loyal gander, an-

nounces that prizes will be awarded to members bringing in the most applications for membership. It is expected that this year the number of those initiated will be greater than last year when 42 were received.

Markel Succeeds Krieger

Eldon Markel of the Ohio Inspection Bureau has joined the staff of the Home at Columbus, O., succeeding W. M. Krieger, who has been transferred to the home office in New York.

NEWS BRIEFS

W. R. Mills, special agent Commercial Union group at Oklahoma City, and Mrs. Mills announce the birth of a son, Sherrill Lynn. Mr. Mills was with the Kansas Inspection Bureau before joining the Commercial Union last fall.

W. P. Nabors of Houston, special agent Home of N. Y. and keeper of the Texas Blue Goose, spoke to the Galveston Pilot Club on the need of insurance in everyday life.

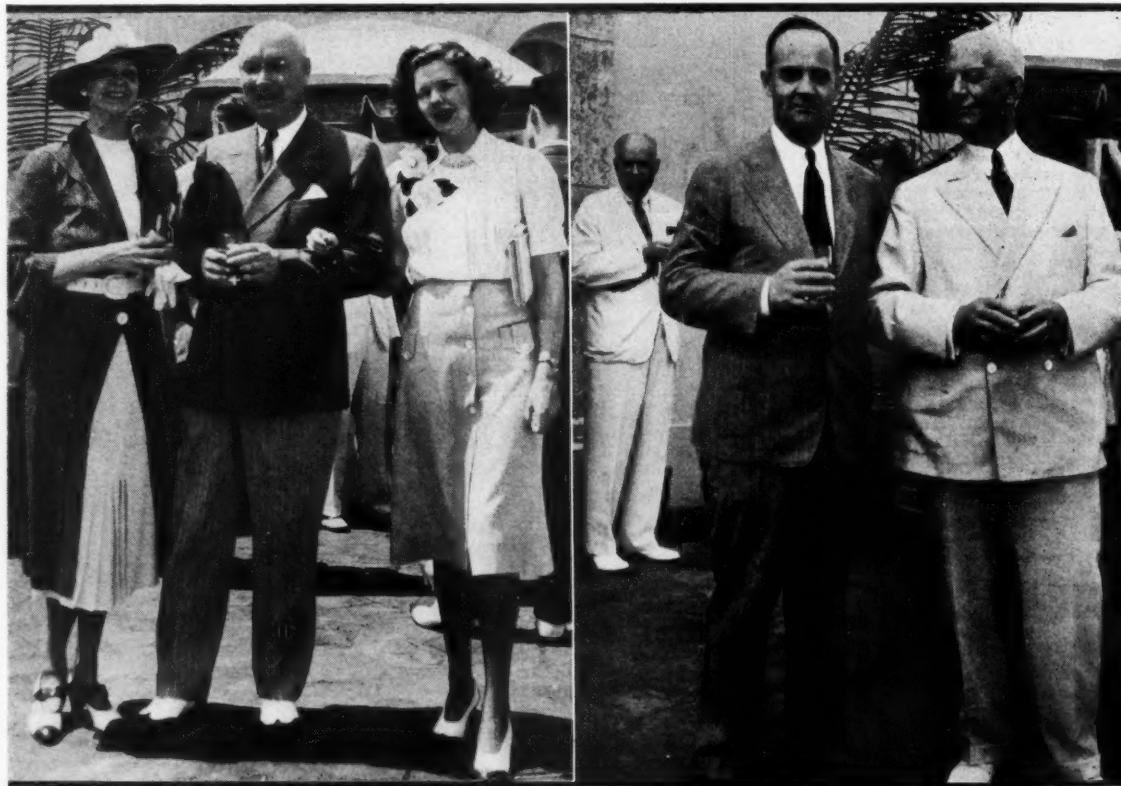
A "high speed" meeting will be held in Boston Friday evening by the Bay State Club. Henry Lane, radio editor of the Boston "Post," will speak and Professor Edgerton of the Massachusetts Institute of Technology will show special ultra-high speed moving pictures.

H. P. Winter, America Fore, spoke on "Some Phases of Insurance Indemnity," and R. N. Merrill, Hartford, on "Extended Coverage Indorsements" before the Ohio Stock Fire Speakers Association in Columbus. Speakers next week will be J. D. Leckv Jr., Royal Exchange and D. A. Swansick, St. Paul.

Bakes with Grange Mutual

W. H. Bakes of Boise, former Idaho insurance director, has been named manager of the Grange Mutual Life, operating under Idaho fraternal laws with membership confined to members of the Grange. Before becoming insurance director in 1931, he was in life insurance work at Burley and Blackfoot, Ida.

The Fireman's Fund has declared the regular quarterly dividend of \$1 a share, payable April 15 to shareholders of record April 5.



HAPPY GROUP AT SERTEL-REDUCKA PARTY AT SURF CLUB, MIAMI BEACH

(Left to right)—Mr. and Mrs. C. F. Liscomb and daughter Eleanor, Duluth; J. K. Boyce, Amarillo, Tex., and W. P. Robertson, western general manager North America.

NEW YORK

KLINKO WITH "ADVOCATE"

A. A. Klinko has joined the "Insurance Advocate" of New York as advertising manager. He went with the National Association of Insurance Agents in 1923 as editor of the "American Agency Bulletin" and later became advertising manager and then assistant secretary. In 1929 he became publicity director for Corroon & Reynolds. Since 1932 he has been in the life insurance business, lately with McCooey & Schmitz of New York and Brooklyn.

SIMPSON BROKERAGE HEAD

G. J. Simpson has been appointed manager of the brokerage department of the New York branch of Fire Association.

INDIGNANT AT TEXAS LETTER

Considerable indignation is expressed by executives of eastern companies who have received a letter signed by Governor O'Daniel of Texas requesting that they contribute to a fund of \$250,000 to finance the participation of the state of Texas in the New York fair. "Since your company enjoys a considerable business in Texas," the letter states, "we feel certain that you will want to have a part in this important program." Individual companies are asked to contribute \$150.

PEEK WITH FIREMEN'S GROUP

Albert H. Peck has been appointed special agent in the New York metropolitan district for the Firemen's group, including fire and casualty branches. He will work under the direction of Secretaries Lester C. Lockwood for fire and Carl J. Stephan for casualty.

CHICAGO

MOVE TO LARGER QUARTERS

The Chicago office of Royal Exchange and Car & General will be moved about April 24 to A-1609 Insurance Exchange. The new quarters are considerably larger than those that have been occupied on the 20th floor of the Insurance Exchange. Rush McClure is branch manager of Royal Exchange, Provident Fire and State Assurance, while Freeman C. Read is branch manager of Car & General.

KISSIN IN BROKERAGE FIELD

A. E. Kissin, who resigned recently as superintendent of the western marine department of Pacific National Fire in Chicago, is now a broker, connected with the Critchell, Miller, Whitney & Barbour agency, Chicago. Mr. Kissin opened the western marine department of Pacific National in 1937. Previously he was in the western marine department of Great American and before that with Switzerland General.

HENDELE NATIONAL'S COMPTROLLER

National Fire Group has appointed M. Martin Hendele as comptroller of the

western department succeeding Walter H. Roadifer, who has retired.

Mr. Hendele has been connected with the western department of National for more than 30 years and for some 20 years has been chief accountant under Mr. Roadifer. He went with R. J. O. Hunter & Co. in 1906. In 1908 he joined Barrow, Wade, Guthrie & Co., certified public accountants, and in 1909 he joined the National's accounting department.

TO CONSIDER ISSUES APRIL 20

A number of fire acquisition cost plans for Chicago may be talked over at the quarterly meeting of the Insurance Brokers Association of Illinois to be held in the Chicago Board auditorium on the afternoon of April 20. Several suggestions have been advanced among the brokers as to how the cost problem may be solved satisfactorily to all. The most conservative brokers seem to think it would be better to let things stand as they are under the present rules until Insurance Director Palmer gets around to taking steps that he finds necessary. One proposal is to give two-thirds of the acquisition cost to the broker and one-third to the supervising agent. This, however, it was said, would not work out unless the tax and administration cost items were

eliminated before applying the two-thirds and one-third factors.

ACHENBACH HEADS OIL GROUP

W. N. Achenbach, Chicago, western manager Aetna Fire, was elected president of the Oil Insurance Association at the annual meeting of this underwriting group. He succeeds E. A. Henne, vice-president America Fore, who became a member of the executive committee. Other officers, all reelected, are C. E. Case, North British, and H. A. Clark, Firemen's of Newark, vice-presidents, and W. H. Riker, North America, secretary-treasurer. In addition to Mr. Henne, the executive committee consists of G. H. Bell, National of Hartford; E. T. Cairns, Fireman's Fund; Ray Decker, Royal-L. & L. & G.; Ivan Escoff, Home of New York; J. C. Harding, Springfield, and C. H. Smith, Hartford Fire.

H. M. Carmichael is manager of the Oil Association.

JOHNSON RETIRES FROM FIRM

Harry T. Johnson of Wiley, Magill & Johnson, Chicago class 1 agency, has retired from the firm in which he has been a partner for about a year. He formerly was special agent of the Globe & Rutgers. H. A. Flannery of the office

has just returned from a vacation at Hot Springs, Ark.

Murray Lincoln Now President

COLUMBUS—Murray D. Lincoln of Columbus was elected president of Farm Bureau Mutual Automobile at the annual meeting. He formerly was secretary-treasurer and succeeds George L. Cooley of Dover Center, who died March 16. Harry Fast of Napoleon, O., was named chairman; L. A. Taylor, Columbus, vice-president and secretary; J. E. Keltner, treasurer, and H. E. Curry, Columbus, actuary. All officers of Farm Bureau Mutual Fire, headed by D. M. Odaffer of Columbus, were reelected. Mr. Lincoln is president of the affiliated Farm Bureau Life.

No Decrease in Virginia

RICHMOND, VA. — The Virginia commission did not order a decrease in fire rates this year and local agents are hoping the bottom has been reached. Reductions have been ordered for each year since the act went into effect until this year. It has meant much to the agents to have their income gradually whittled down. The loss ratio however, continues fairly low but so far this year the fires have been more numerous.

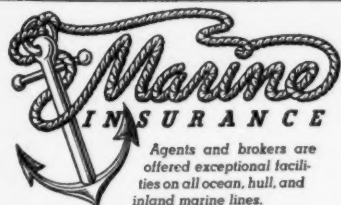
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Forward Steps Are Taken by Agents

(CONTINUED FROM PAGE 3)

could be reached. Agents should study risk classification, as often it is found compensation risks are put in a wrong group. Mr. Carswell said that if a customer is satisfied an agent is earning his commission, he need not fear competition.

Mr. Redden declared a salesman should approach a prospect with an open mind. Often an antagonistic or opinionated attitude closes a prospect's mind. He stated that one's prejudices should not be offended. A prospect will not listen to reason if offended. Always treat old customers with the same attention as the new ones, he advised. An agent should inspire faith and confidence in what he has to offer.

Follett Greeno's Suggestions

At the last session, Follett Greeno of Rochester, N. Y., referred to THE NATIONAL UNDERWRITER's state casualty tables to show the increasing premiums of mutuals. He thinks it is ominous. Twenty years ago, he said, there was little mutual competition. It has rapidly developed in recent years.

The direct writing mutuals, he finds, are extending their tentacles to rural areas. It would not be profitable for them to follow the direct writing system in these sections, hence they seek representation in stock agencies. He insisted there be a well planned attack on this movement. The mutuals are making a drive on automobile, residence and other smaller risks. The mutuals, Mr. Greeno asserted, do not favor the agency system, but are compelled to seek such representation in country districts.

He urged that stock companies have no traffic with mutuals, no dealings of any kind, no reinsurance arrangements. There should be no conferences with them, he thinks. The stock company adjusting bureaus should not be open to mutuals. Further, he holds, there should be no combined rating arrangements.

He advised agents to keep an open mind when stock companies bring out new features. The safe driver reward plan, which he contended was a bungled job, was a gesture to help the agents in their competition. He condemned companies that impoverish agencies by siphoning out only their best risks.

Statement from the Committee

The executive committee in its report said: "Representations have been made to the committee from a number of states, all expressing a sincere desire to cooperate and produce a revision of the constitution in such a manner as to meet the unanimous approval of all state association units; that in order to produce this desirable result it will be advantageous to have the members in these states express themselves by referendum or otherwise; and that in order to obtain a reaction from such membership it will be advantageous to extend such opportunity."

No Action on Ohio Secession

The executive committee took no action on the withdrawal of the Ohio association from the national body. As a matter of fact Ohio received but scant sympathy from the agents at Hollywood. Its action was regarded as rash and unjustified. There has been a request from some Ohio agents who desire to maintain their National association affiliation but the executive committee did not work out a plan for such membership. Beneath the surface it was apparent that many members hope for a reconciliation and a return of the Buckeye to the fold.

At the western agents conference, George W. Carter of Detroit, advocated an extended coverage form with tornado eliminated. He stated that in sections of Michigan, assured do not want

windstorm coverages. They have not had a tornado within the memory of those living now and hence they object to the extra cost.

At once agents from other states seriously objected, saying that almost all policyholders now had the extended coverage with tornado and to have an alternative form would be confusing. It was finally agreed that if the form without tornado could be confined to Michigan there would be no objection but the agents did not want it to spread.

Speakers told about the people being very price conscious not only in insurance but in all services and commodities. They buy as cheaply as possible. Therefore it is up to the agents to improve their service materially in order to attract customers.

Mr. Carter opined that in some respects the insurance machinery is not geared to meet rapid and important changes. He commended the new workmen's compensation experience plan based on three years experience. This he held will reflect true conditions. He claimed the retrospective rating plan lacked sales appeal.

Wants Battery of Speakers.

Mr. Carter expressed the hope that the company organizations, instead of spending large sums in advertising would allocate part of the fund to training able young men, schooled in public

speaking, well informed on the fundamentals, uses, services and scope of insurance, who would be distributed over the country and available for talks at all sorts of gatherings. A battery of such men, he asserted, would be of inestimable worth in carrying the message to the people.

Follett Greeno of Rochester, N. Y., called for a more aggressive policy on part of the National body in protesting against branch office violations and also to insist on stock company agencies not representing non-stock carriers.

H. K. Schauffler's Talk

Assistant Manager H. K. Schauffler of the National Board in his talk said that this organization is selling insurance prestige. There is ample opportunity now to build knowledge of insurance. Credit men, he averred are waking up to the necessity of adequate and correctly planned coverage. If the public thinks well of the agents and has confidence in them and the kind of indemnity they sell, many competitive problems will be solved. Agents at all times must be prepared to defend and justify their calling. Any friendly, constructive criticism should be welcomed, he added. Every agent, he said, should have an intimate knowledge of his contracts and facilities at hand. Price cutting is severe, he acknowledged, but the moment a salesman weakens as to the prices of

his better wares, his standard is lowered. Mr. Schauffler urged agents to recognize insurance as an intensely human business. Therefore, human insurance should be sold. It protects people and their possessions.

Objectives Are Stated

He enumerated the purposes of the public relations committee of the National Board:

1. To learn by investigation and research by what means the insurance needs of the public may be met more satisfactorily and what the public expects from the institution of capital stock company insurance.

2. To develop for dissemination among the employees of insurance companies, affiliated associations and bureaus, agency and brokerage associations, dependable information and suggestions which may be helpful in increasing the measure of public service rendered.

3. To present to the public through advertising and other appropriate channels, reliable and complete information regarding the functions performed by the institution of capital stock company insurance and their relationship to the economic and general welfare.

W. T. Reed of Washington, D. C., assistant secretary of the National association, was called on to explain the objectives of the Farmers Mutual Insurance Association of Jackson, Miss. It



VIEWS FROM MEETING OF NATIONAL ASSOCIATION OF INSURANCE AGENTS:

(Top)—Harold Junker, vice-president Crum & Forster; J. F. Glass, Durham, N. C., manager Carolinas department Crum & Forster; L. L. Sertel, and T. D. Reducka, Sertel-Reducka, Miami.

(Center)—T. R. Dew, superintendent of agents U. S. Guarantee; Will S. Keese, Chattanooga; Mrs. H. J. Haas, Atlanta; Mrs. A. A. Cooper, Rome, Ga.

(Bottom)—Dorris Coates, Sertel-Reducka, Miami; Preston Burnett, Orlando, Fla., special agent Commercial Union; Alex Case, Marion, Kan.; M. M. Spradlin, Tampa.

is a concern organized to insure farm property on farms taken over by the government where loans were made. A master contract runs to the government, it being awarded to the mutual. The rate is 60 cents, and extended cover is thrown in. This work is carried on under the auspices of the Farm Security Administration which claimed stock company rates were too high, especially on live stock and hence the mutual was organized.

Commissioner Williams of Mississippi who was present was asked to tell about this enterprise. He said this famous mutual was indicative of an unfortunate trend of the government invading the field of private business, which he said should be discouraged. This mutual, he added, has been in the hopper, getting policies that would conform with state laws. The F. S. A. manager at Jackson, he asserted, wanted the department to allow the mutual's agents to operate without being licensed. It sought all sorts of special privileges and immunities.

The commissioner discovered the outfit had gotten out a deceptive policy. Its premium on live stock was 5 percent of the appraised value and yet the liability was fixed at two-thirds the appraised value. He immediately ordered a revision. The commissioner has not yet made an examination of the company.

A. B. White, Keene, N. H., paid tribute to the telephone company and all utilities for their great rehabilitation work following the cyclone. He spoke of the need of use and occupancy coverage to take care of injury to power as was evidenced in this disaster. Many enterprises were out of commission for some time because power was out of commission.

He thinks in his section there needs to be a removal of rate inequalities. For example, he pointed out that the rate for extended coverage on a dwelling is fair, but if the dwelling houses a little store, the rate is increased beyond reason. Mr. Keene believes there should be a clarification of the tornado policy to include indirect damage by storm such as a tree falling on a house or water driven up from a bay. However, he said the companies were not technical in the settlement of losses although there was a question of liability by driven water.

J. J. Roe, Patchogue, N. Y., in reporting for the accident prevention committee, said that accident prevention and safety work are splendid movements for an agent to back and in which to participate. Accident prevention work, he finds, is conducive to creation of good feeling for insurance. Mr. Roe said his committee is cooperating with the National Conservation Bureau.

OCEAN WAVES

All at this convention of the National Association of Insurance Agents were greatly pleased with the **Hollywood Beach Hotel**, which represents the acme of successful management in anticipating the needs of patrons. All along the line, employees were courteous and responsive to guests. The hotel did not in any way try to gouge guests. It offered many services gratuitously. The

hotel management certainly has mastered the public relations problem so far as it is concerned.

In the lobby of the hotel was a large bowl of orange juice, with an attractive young lady dispensing it, furnished by the **Florida Insurance Agents Association**.

Walter Meiss, executive general agent London Assurance, announced that his company would have printed copies of the address of B. P. Carter of Richmond on consumer cooperatives, for general distribution to insurance people.

Attendance prizes were won by Herman J. Haas, Atlanta; I. M. Boardman, Burlington, Vt.; Follett Greeno, Rochester, N. Y.; D. A. Clark, Sweetwater, Tex.; L. W. Helson, Portland, Me., and Stanley Jarvis, New York City.

Jane Priest of Wichita, daughter of Frank T. Priest, won the prize offered in the citrus fruit contest. There were four varieties in a big pile numbering 1,600. Jane put it at 1,585.

On Thursday evening the hotel served a **beefsteak dinner** on the beach for the insurance crowd.

Telegrams of good wishes were received from Insurance Commissioner Knott of Florida and K. H. Blair, Greensburg, Pa., past president, who seldom misses a convention.

The **beach and ocean bathing** attracted all hands. Fine coats of tan were acquired.

Commissioner John Sharp Williams III of Mississippi, called to the rostrum, addressed the assemblage as "fellow agents." He was formerly an agent at Yazoo City, Miss., and served as manager of the Mississippi Association of Insurance Agents. He added: "I have been a member of my state association for 27 years. I am still a member and pay my dues."

H. H. Cleveland of Rock Island, Ill., who has a winter home at Coral Gables, drove over to attend the business sessions. He is president of Bituminous Casualty and a prominent local agent.

There were **three young women**, college girls, daughters of prominent members that were very popular; Barbara Liscomb, daughter of past President C. F. Liscomb of Duluth, who is at University of North Carolina; Caroline Smith, daughter of Executive Committee Chairman S. O. Smith, who graduated last year at Breanau College, Gainesville, Ga.; Nancy Cooper, daughter of Georgia President A. A. Cooper of Rome, Ga., who flew back to Shorter College at Rome to meet her college demands.

Miss Barbara Liscomb of Duluth was bitten by a jelly fish or some other enemy of the sea while she was in the surf. She received medical attention at once.

President W. H. Menn, Executive Committee Chairman S. O. Smith and Secretary W. H. Bennett stuck to the ship and worked all day Saturday **cleaning up accumulated work**.

Executive Vice-president Otto Patterson of American Automobile made his 84th airplane journey in going to Hollywood.

Former President Chas. Lyeurgus Gandy of Birmingham, in attending the Hollywood meeting, scored his 44th convention with the National Association of Insurance Agents.

Two officials from the home office of **Hartford Fire** attended, they being Assistant Secretaries W. S. Vanderbilt and G. S. Atkinson.

Bowles Zone 2 Manager

Commissioner Read of Oklahoma, secretary National Association of Insurance Commissioners, announces the selection of Commissioner Bowles of Virginia as manager of Zone No. 2 by mail ballot. He will serve until the annual meeting in June.

Home Pays 10 Cents Extra

NEW YORK—In addition to the quarterly dividend of 30 cents, the Home has declared an extra of 10 cents per share, both payable May 1, to stock of record April 15.

Pittsburgh Agents Elect May 9

PITTSBURGH—The Pittsburgh Association of Insurance Agents will hold its annual meeting May 9. President, vice-president, and eight directors will be elected.

As an added assurance of our continuous strength and growth which presents further protection for our present qualified agents, we make our selection of new representatives with great care. Worthy Agents prefer to be identified with such a company.



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National Union Fire Insurance Co., Pittsburgh, Pa.

North River Insurance Co., New York, N. Y.
Phoenix Insurance Co., Hartford, Conn.
St. Paul Fire & Marine Insurance Co., St. Paul, Minn.
Springfield Fire & Marine Insurance Co., Springfield, Mass.
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Birmingham Fire Insurance Co., Birmingham, Ala.
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Central States Fire Insurance Co., Wichita, Kan.
Charter Oak Fire Insurance Co., Hartford, Conn.
Citizens Insurance Co. of New Jersey, Jersey City, N. J.
Connecticut Fire Insurance Co., Hartford, Conn.
Equitable Fire & Marine Insurance Co., Providence, R. I.
Mercury Insurance Co., St. Paul, Minn.
Michigan Fire & Marine Insurance Company, Detroit, Mich.
Minneapolis Fire & Marine Insurance Co., Minneapolis, Minn.

National Security Fire Insurance Co., Omaha, Neb.
New England Fire Insurance Company, Pittsfield, Mass.
New York Underwriters Insurance Co., New York, N. Y.
Northwestern Fire & Marine Insurance Co., Minneapolis, Minn.
Old Colony Insurance Co., Boston, Mass.
Philadelphia Fire & Marine Insurance Co., Philadelphia, Pa.
Piedmont Fire Insurance Co., Charlotte, N. C.
Sentinel Fire Insurance Company, Springfield, Mass.
Standard Fire Insurance Co., Hartford, Conn.
Twin City Fire Insurance Co., Minneapolis, Minn.
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Paramount Scheme Is Condemned

(CONTINUED FROM PAGE 3)

and seemingly more interested in this issue than any other. It is:

"The executive committee of the National Association of Insurance Agents in a meeting in New York City on Jan. 23, stated: 'We look with disfavor upon any insurance company where its initial operations are dependent upon the reinsurance of all of its liability, or upon any insurance company which writes only certain classes of desirable business, thus jeopardizing the stability of the insurance business, predicated as it is upon the law of averages.'

"The executive committee reiterates its faith in the integrity of this position, and declares further that the fact that a small percentage of such liability may be retained in order to relieve the objection, does not alter the principle involved in the above pronouncement. The gravity of the situation lies in the selective classifications proposed to be written coupled with a plan inevitably producing demoralizing results in the business.

Plan Is Condemned

"The National association's position on the coercive power of credit lodged in a financial institution must be well known to the insurance business of the United States. While the adventure that called forth the statement from the committee in New York City, concerned an operation not exactly parallel to the above principle, at the same time this committee also recognizes that the opportunity for coercion in any transaction where credit and insurance are commingled is not in the public interest. The committee believes it to be inimical to the best interests of the insurance business for any company to aid an enterprise which combines the insurance agency business and the money lending business in an operation so closely associated as to be one transaction."

Chairman Smith Explains

At the conclusion of the reading, F. C. Gittinger of San Antonio moved approval, seconded by J. D. Ewell of Richmond. Mr. Smith explained that the committee had had many complaints, and every avenue in the way of possible compensation had been exhausted, hoping to solve the vexing problem. The Home officials had been contacted. When the final draft had been agreed on, it was shown Vice-president Hill who got in telephonic communication with President H. V. Smith while the meeting was in session.

The Home's statement was: "It is plain common sense that after building up good will with the American agency system over a period of many years, obviously we shall give most serious consideration to any of its findings.—H. V. Smith, president Home Insurance Company, by Ashby E. Hill, vice-president."

Wolff Wants No Misunderstanding

The question was called for, but Allan Wolff of Chicago declared it was incumbent on the agents to be so definite and clear that the Home have no misconception of their sentiment. The executive committee, he insisted, should be given strong backing. John J. Roe Jr., Patchogue, L. I., stated that if the Home retired from the project then the attitude of the association toward any other company entering the vacant chair should be emphasized.

Chairman Smith declared that it was his opinion that Mr. Harrington's motives were sincere and honest. Mr. Harrington felt he had done a good job in saving this business for association agents and bureau companies. H. H. Corson, Nashville, declared Mr. Harrington should be invited to present the statement he had prepared for the executive committee. He was not in the room nor the lobby.

W. E. Bingham of Baton Rouge, then insisted that Mr. Harrington's statement be read to the meeting. He was vociferously supported by others. The question

arose as to whether the Mortgage Bankers Association would rush to some mutual if the Home dropped out. Stuart Ragland, of Richmond said if the job had been done as it should in the past, there would be no great mutual competition. He was willing to abide by the executive committee and said that the executive committee would not be warranted in making public Mr. Harrington's statement if it had been received as a confidential communication. There was still insistence that the statement be read.

Chairman Sidney Smith then declared he would not read the statement without Mr. Harrington's consent as the committee considered it confidential.

The upshot was that a motion prevailed that Mr. Harrington be requested to release the statement to the press or another if he so preferred.

Harrington's Statement Released

Later Mr. Harrington gave out his statement as follows:

"A proper consideration of this subject requires a knowledge of the background. A majority of the direct membership of the Mortgage Bankers Association is now engaged in the joint business of making mortgage loans and writing insurance. In some cases, their insurance activities are largely confined to the writing of insurance on properties on which they make loans. Many other members, like ourselves, are engaged insurance-wise in the writing of a general business. In many instances these members are also members of the National Association of Insurance Agents. In fact, in Atlanta, every member of the Mortgage Bankers Association is a member of our local board and likewise a member of the National association. I do not maintain that this holds generally true over the United States. I do, however, want to emphasize at the outset that this discussion has to do with those now engaged as local agents, members of their local boards.

"A very large number of these agents now represent non-board companies and in a good many instances, mutual companies. This, for the reason, like a great many of others, that they have felt that the class of business which is produced having a very low loss ratio should pay a contingent commission over and above the regular scale. The non-board and some mutual companies have been willing to pay that scale, and this has induced many of them to join forces with those groups, and as a result, a very large proportion of this desirable business has been lost to board companies. In addition, in some localities, these agents were not permitted to join the local board, and this in turn, has persuaded them to join forces with those companies not committed to an in or out local board rule.

"As a group, the members of this association are necessarily high-type business men or houses. They have to be to enjoy the confidence of the life companies for which they loan funds. They undoubtedly felt that as many agents are engaged in the field of making mortgage loans, it was equally as consistent that the mortgage loan correspondents should be permitted to engage in the insurance field. Certainly the opportunity to do so has been made very easy by having access to non-board companies where local boards prohibited bureau company representation.

Committee Made Investigation

"Some several years ago, a committee from the membership of the Mortgage Bankers Association was appointed to study the entire insurance situation. This committee, under the chairmanship of W. Owen Murray concluded that the best solution was for a group in their individual capacities (and not a part of, or under the sponsorship of the Mortgage Bankers Association) to organize an insurance company for the purpose of

writing the business of those who desired to join the enterprise. After this had been determined upon, I was invited to serve in the capacity of making the necessary reinsurance arrangements for that company. At the time it was contemplated that the company would operate as a non-board company primarily for three reasons:

"1. To enable its agents to receive excess commissions.

"2. To remove the complications incident to local boards.

"3. To enable those now engaged in the insurance business to become licensed as insurance agents where state laws permit it.

Determined to Have Company

"It is not necessary to emphasize the harm to the business—both from the standpoint of companies and agents, that would have followed such a procedure. It is necessary, however, to view this in a thoroughly realistic way. There was certainly nothing to prevent anyone with the available capital to organize an insurance company and that course had been definitely determined upon. In turn, there was nothing to prevent that company operating board or non-board, just so long as the laws of the respective states were observed, and the interests of the insuring public properly safeguarded. At that time, the organizers of the company had before them several offers of reinsurance from non-board and mutual sources.

Harrington's Recommendations

"In their first conference with me, I stated that I was not engaged in the business of reinsurance, and was not at all interested in entering that field. I did, however, take the liberty of expressing the opinion that it would be a very serious mistake for the company to operate upon the plan proposed; that it would do serious violence to the interests of the organized agents of the country as well as organized companies; that the repre-

sentation of a non-board company would undoubtedly result in many of their stockholders, who now represent board companies, resigning those companies, with the inevitable result, a tremendous volume of business now being enjoyed by board companies being lost to their non-board competitors; that their proposed stockholders being leaders in the mortgage loan field and members of their own trade organization should give their support to like interests in the insurance field and not be parties to adding to already existing difficulties; that it was my very definite recommendation that the company operate not only as a bureau company nationwide, but immediately subscribe to all the principles of the National Association of Insurance Agents, and to further agree not to appoint as agents any person not now engaged in the business of insurance and making the further requirement that where local boards are properly organized that their agents must be a member of that local board. This accomplished, as I saw it then, and as I see it now, two very important things:

Important Things Accomplished

"1. Avoiding a serious disruption of the relationship between bureau companies and those agents who were to become interested in this enterprise.

"2. That it would result in many agents representing non-board and mutual companies taking on the representation of the Paramount and thus leave openings in their office for other bureau companies who are now debarred by such representation.

"3. That it would avoid the appointment of many not now engaged in the insurance business and keep within the hands of the existing agency force business now on their books.

"4. That it would result in the shift of a very large premium volume from non-bureau and mutual companies to bureau circles.

"In persuading the proponents of the



VIEWS AT LOCAL AGENTS NATIONAL MID-YEAR MEETING:

(Top)—Mrs. Irwin Wootton, Atlanta, Mr. Wootton. (Bottom)—T. L. Bean, production manager Royal Indemnity; (Inset) T. F. Mahone, Atlanta, state agent Springfield F. & M.; H. H. Corson, Nashville.

company to follow this course, rather than the one originally contemplated; I conscientiously feel that a very distinct service was performed—both for the agents and bureau companies. I was requested then to effect the necessary reinsurance arrangements.

"There was certainly no difficulty in finding a reinsurance market, and I would like to particularly emphasize that in the very first discussion with the officials of the Home, the first question asked by Wilfred Kurth was whether or not this plan would in any way conflict with the principles of the National association, and he stated that if so, the Home would not be interested in any consideration of the plan. It was upon my assurance that every precaution had been taken to comply with the principles of the National association, and upon reviewing to him the background as I have reviewed it in this statement that tentative arrangements were agreed upon.

Alternative of Proposed Plan

"Now, let us view for a moment the alternative of the proposed plan not being consummated. Should the Home not complete the proposed assignment, the bureau reinsurance market would be closed to the Paramount and it would be necessary for it to retrace its steps, negotiate reinsurance with non-board companies or mutuals and operate as non-board with the inevitable result of very serious harm being done to the business—both company and agency-wise as I have previously related.

"Personally, I have nothing to do with the promotion of the company, my services being limited to those stated and to serving as a member of the board of directors for the purpose of harmonizing the company's relationship with the organized agents of the country.

"If the latter is not to be accomplished, then, of course, my services in that capacity would not be required, nor would they be tendered, and I mention this not because of any reason as it may affect me personally, but because the company's responsibility to the organized agents will have been discharged in their unsuccessful attempt to work with them.

Company Will Be Organized

"Again, viewing the matter from a realistic standpoint, I think I should say on behalf of the management that the company will definitely be organized and that the policy of operating board or non-board must be immediately determined.

"It has been suggested from some sources that this company is a 'promotional enterprise.' Nothing is further from the fact. Not one penny of fee is being collected by those sponsoring the institution. In fact, they have advanced their own personal funds to guarantee organization expenses and they will only be reimbursed for actual out of hand expense, such as legal fees, traveling expenses, printing, etc. Mr. Murray, who is to be president is agreeing to serve on a salary of \$6,000 per annum and is paying the same price for his stock as is being paid by anyone else. These facts are on file with the Securities & Exchange Commission and are available of proof. It has been suggested that the stockholders list should be available to the National association's executive committee. I believe under many state laws that this information is available to any stockholder and, personally, I see no reason why it should not be available to any person properly interested.

Reinsurance Arrangement

"Another stated objection is that the company will reinsure its liability 100 percent. This was originally contemplated and, frankly, I see no particular difference that it might make to an agent where a company is operating in accordance with agency principles, what proportion of the company's liability is reinsured. However, if within the wisdom of the executive committee such a plan is objectionable, it would be my recommendation to the board of directors that



SCENES FROM THE PARTY AT SURF CLUB AT MIAMI BEACH GIVEN BY THE SERTEL-REDUCKA AGENCY OF MIAMI:

(Top)—Philip S. Beebe, assistant western manager Hartford Fire; W. P. Robertson, western general manager North America; Clem E. Wheeler, western manager Hartford Fire; L. L. Sertel, Miami, Mrs. Jennie Sue Daniel, editor "American Agency Bulletin"; Wayne C. Meek, Seattle. (Bottom)—Mr. and Mrs. David A. North, New Haven, Conn., Archibald J. Smith, New York.

the company carry some proportion of its liability net, and I think I may assure the committee that this recommendation will be followed.

"While my membership on the board is for the purpose previously stated, I am quite sure that favorable consideration would be given if this committee desires it to be done, for a representative of the National association to serve in a like capacity for the same purpose.

Agents Welfare First Considered

"I think it must be admitted by any reasonable thinking person that the welfare of the agents under the proposed plan has been of primary consideration. Certainly no company within my knowledge has gone so far as to say that it will not appoint as its agent a person not already engaged in the insurance business prior to the appointment and that agent must be a member of his local board. Personally, I feel that this is everything that National Association of Insurance Agents has any right to ask of any company, thus leaving it no alternative but to operate non-board would be a responsibility which this committee should seriously consider, and in the last analysis that, it seems to me, is the decision with which you are faced.

"May I add a word which does not bear solely upon this particular situation? We seem to be going through a phase of agitation in nearly every walk of life. In many cases, this originates with those whom they consider it to be their duty to promote unrest and strife. May I make the suggestion that it will be well to seriously consider whether such agitation as has taken place is inspired by competitive conditions beyond agency circles. If there be no violation of fundamental rights, then certainly this committee's judgment should be determined upon that fact alone.

Standing by Sound Principles

"It frequently requires a greater degree of courage to coldly and calmly analyze the facts of a situation and to stand fast on sound principles than to be stampeded by the cry of a minority. Your committee is faced with many serious problems. It must recognize, as some do not seem to recognize, that no one group has a vested ownership in any one business. The best that we can hope to accomplish is to attempt to regulate

those exercising their right to engage in a business, and regulate them in such a manner as consistent with law and order, with the interests of the public, and last but not least, those engaged in the business itself. In the particular instance before you, that effort has been made, and we stand ready and willing, as publicly announced, to conform our plan of operation with recognized principles and as they may be interpreted by your committee.

Represent Unorthodox Companies

"The N.A.I.A. throughout the history has pleaded with companies to subscribe to its principles, to recognize local board rules, to avoid indiscriminate new agency appointments—our ranks are filled with members representing companies which have done none of these. No pronouncement of our agency organization has been heard against any specific company or companies contributing nationwide to a demoralization of the established business of our agency forces and rate cutters, non-boarders and disorganizers of established agency principles roam the land at will. How in all consistency can this association condemn a management that says to it: 'We subscribe to your principles 100 percent—we agree to conduct our business strictly in accordance therewith'."

It can be said that the Home has been very frank and cooperative in dealing with the officials and executive committee. It has not used any pressure but discussed the Paramount situation candidly. The committee believes that the Home, especially with W. E. Harrington's connection with the Paramount, felt it was fully justified in making the deal. Furthermore, the committee is convinced that Mr. Harrington was sincere and honest in his conviction that he was saving the business for association agents and board companies.

If the Home cancels the deal, what next? That was a crucial point which engrossed the close attention of the committee. The members were assured by Mr. Harrington that the company would be organized regardless of its action. A number of agents expressed the belief that the Paramount will turn to the Pearl or General of Seattle and ascertain their attitude. Or it may seek the James S. Kemper market.

Memorial Library for J. Gilbert Leigh Launched

(CONTINUED FROM PAGE 3)

In the afternoon the advisory committee had a session with a committee of the Arkansas Association of Insurance Agents of which Pinchback Taylor, Pine Bluff, was chairman. The Blue Goose dinner that had been arranged for that evening was called off on account of the death of Mr. Leigh.

Mr. Baker reported that the total premiums written in Arkansas by bureau subscribers last year was \$7,565,000. The loss ratio was 44.98. The premiums were 3.2 percent less than in 1937.

W. W. Leigh, brother of J. G. Leigh, who is also connected with L. B. Leigh & Co., was elected to the Arkansas supervisory committee, succeeding his brother.

Members of the advisory committee who were at Little Rock are: W. R. McCain, D. E. Monroe, vice-president Commercial Union; Henry P. Whitman, vice-president Phoenix of Hartford; John C. Evans, secretary Great American; E. G. Frazier of Chicago, vice-president Springfield F. & M.; J. H. Hines, Atlanta, Hines Bros., southern managers Crum & Forster; J. M. Waller, first vice-president Aetna Fire; W. B. Rearden, vice-president Firemen's, and C. T. Hubbard, assistant secretary Automobile.

LEIGH AGENCY IS REORGANIZED

LITTLE ROCK, ARK.—William W. Leigh and J. Gilbert Leigh, Jr., have taken over active management of the L. B. Leigh & Co. general agency, following the death of J. Gilbert Leigh.

W. W. Leigh has been a partner in the firm since 1918 and has been associated with the company since 1900. He has had direct charge of fire underwriting and office management several years. He is a brother of J. Gilbert Leigh and a nephew of the late L. B. Leigh, founder of the company.

J. Gilbert Leigh, Jr., a grand-nephew of the founder, started with the agency in 1935 following his graduation from Princeton. He was appointed assistant general agent several months later and became a partner following the death of his father.

EDITORIAL COMMENT

Emphasizing Value of the Comptroller

THE retirement of W. H. ROADIFER, who for many years has been comptroller in the western department of the NATIONAL FIRE, serves to bring to the fore the great importance of the chief accountant and often the subordination of the position in the eyes of the management. Mr. ROADIFER was considerably more than a comptroller, more than a man of figures. He was a prime factor in the management of the department and he was so recognized. His influence was felt far beyond the ledgers, journals and the statistical division. Mr. ROADIFER was human in his instincts. In many ways he was the little father of the office.

Mr. ROADIFER would not be content to become atrophied by constant contact with columns of figures. He saw in his work a field for usefulness, for service. He appreciated that it had rhythm and once humanized, it pulsed with vitality.

We are prone to overlook the potential worth of a comptroller who has the ability to break the fetters and inject himself in a constructive way into the general work of an office. The English magnify the statistician, the accountant and the actuary. The managerial figures across the sea sprang for the most part, from the accounting division. That explains the analytical, precise,

orderly mind of the British executives. He is strong on research, comparisons, reports, sometimes becoming too exhaustive.

Over here most of our executives came from the underwriting end of insurance. A great majority were field men, whose training therefore was aloof from columns of figures. Hence our men in managerial ranks lack an intimate knowledge of accounting. They could go into any other department of an office and solve its problems. They are bewildered when some acute situation arises in the accounting end.

This situation therefore requires a comptroller of signal ability and when such is found his work should be recognized and his position should receive the esteem and respect of the whole organization. He should be on a par with the chief underwriter, general adjuster, the agency head, and so on. The comptroller's work and knowledge give him excellent material for contributing to the progress of an office. Hence he should sit in its councils and be encouraged to offer suggestions and make criticisms. We are too much inclined to overlook the assistance that can be given by the accounting department in the general operations of an insurance organization.

Insurance Itself Has Not Been Besmirched

WE ALL regret the sensationalism involved in the Missouri rate case refunds. It has been difficult for the federal grand jurors to understand why companies returned 5 percent of their refund to C. R. STREET, who had sole charge or rather assumed sole charge of the Missouri litigation, without any accounting or without knowledge of how the money was to be expended, who was to receive it and for what purpose.

Suffice to say that Mr. STREET had the unbounded confidence of his associates. He was a man of the utmost probity and integrity. No one believes that Mr. STREET profited personally in this transaction. He may have been unduly swayed by sinister influences in the Missouri negotiations. Of that we do not know. It is probably true to say that no insurance man knows through what avenue the money coursed.

Mr. STREET was a dominating force in whatever business relationship he formed himself. He would not have been satisfied otherwise. He played to a large ex-

tent a lone hand. He felt it very necessary to conduct all Missouri negotiations personally. He refused to divulge his program or plans. It was doubtless a mistake for the companies to have reposed so much authority in one person. Mr. STREET sought the money to pay the final expenses in the Missouri litigation. No official looked upon the request as unusual nor did any one have the slightest suspicion that there were any illegitimate or irregular transactions that had to be paid for to any outside interests.

The point we make is simply this: The companies are innocent bystanders, unfortunately found in an embarrassing situation for which they are in no way responsible. The very worst indictment one could make of these officials is that they were unwise to leave so important a project to one man and yet they had entrusted many negotiations to Mr. STREET because they relied on his probity, ability and fairmindedness.

Insurance has been singularly free from accusations of bribery or buying

immunity, although often the target for unscrupulous and designing men in public life. It has been a business that relied on its record and fair dealing in any defense it had to make. It never felt it was called upon to buy favors to which it was rightfully entitled. This writer has been associated as a trade newspaperman with insurance for nigh 45 years. He has been proud of the underwriting fraternity. It has conducted its affairs with intelligence, honor and

straightforwardness.

If in this Missouri mess there was any departure from high standards by one man, the family of insurance should not be held responsible. As a whole, as a great enterprise, insurance would not condone any departure from the straight and narrow path. Therefore, while we deplore the revelations, we must not lose faith in the honest conduct and intentions of this splendid enterprise in which we are engaged.

High Praise for Company Cooperation

A BLESSED relief at agents' meetings is to have an orchid handed to the companies rather than a "punch" in the jaw. When the midwestern agents conference of the NATIONAL ASSOCIATION OF INSURANCE AGENTS convened in Hollywood, Fla., GEORGE W. CARTER of Detroit, who presided, spoke with enthusiasm concerning the cooperation his group is receiving from the WESTERN UNDERWRITERS ASSOCIATION. Always, he said, does his conference get sympathetic consideration. The company executives recognize that the insurance business is a joint undertaking

and therefore the partnership obligations should be respected. Mr. CARTER asserted that in some cases the companies could not meet all the demands made on them by agents but they lent a willing ear and went as far as they could. Therefore in W. U. A. territory progress is recorded in this unity of spirit and action which is benefiting all.

It might be well for other jurisdictions to take a leaf from Mr. CARTER's book, study the methods pursued in the central west and thus still the troubled waters.

PERSONAL SIDE OF THE BUSINESS

Paul B. Sommers, president of American of Newark, has returned to the home office after having made a vacation trip to Honolulu. He had been away from Newark six weeks.

Sam T. Johnson, Chicago manager of Globe & Rutgers, is expected to return this week from Tucson, Ariz., where he has been vacationing for about a month with Mrs. Johnson.

John Ashmead, advertising manager of Phoenix of Hartford, is the author of an article "Fire Insurance and Conflagrations" appearing in the April edition of the "Connecticut State Journal."

Mr. Ashmead states that there have been 100 conflagrations since 1900. He points out that insurance supplied the money to replace more than half the values destroyed in the San Francisco earthquake.

W. G. Coggeshall of the Western Adjustment at Burlington, Ia., was married in Kansas City to Maxine Bunten, daughter of J. H. Bunten, Iowa state agent of Fire Association and president of Iowa Fire Underwriters Association.

W. B. Flickinger, retired assistant western manager of the North America, is now at his home in Oak Park, Ill., after having undergone an operation. He just celebrated his 80th birthday.

C. S. Read, special agent Hartford Fire, shot a hole in one at Glen Lakes Country Club, Dallas, and has three witnesses to the fact, including a local agent.

Samuel P. Rodgers, vice-president of State of Pennsylvania, is returning to the head office this week after having been on an agency trip to the southwest and Pacific coast since March 8.

He intends to go to White Sulphur Springs, W. Va., for the meeting of the Western Underwriters Association next week.

J. S. Goodwin, manager Chicago metropolitan department London Assurance, returned this week with his wife after a month's vacation in Florida. While there he attended the Hollywood convention of the National Association of Insurance Agents.

Lee J. Loventhal of Loventhal Brothers Agency, Nashville, Tenn., has been appointed regional layman's tour chairman for Tennessee and Kentucky for the Union of Hebrew Congregations Movement. Mr. Loventhal will arrange for speakers to visit every city in the two states where there is a Hebrew congregation.

W. L. Wallace, vice-president of Pacific National Fire, has left the hospital in Philadelphia where he underwent treatment for a streptococcal infection. He is now at Sea Girt, N. J., for a few days completing his recovery.

J. F. Norse, manager Chicago and Cook county branch Northwestern National, has returned from a four weeks vacation at Miami Beach, Fla. While in Florida he attended the local agents convention at Hollywood.

A. P. Morey, Chicago manager Stock Company Association, has returned from a month's vacation in Florida. He attended the local agents convention at Hollywood. His vacation was spent in the company of J. S. Goodwin, manager Chicago metropolitan department London Assurance, and his wife.

J. M. Mountain, of Omaha, adjuster of the Grain Dealers National Mutual, has



THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, H. E. Green, Jr.

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Subscription Price \$4.00 a year in United States and Canada. Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

just observed his 25th anniversary with the company. He was honored at a stag party there.

DEATHS

Sam T. Maddox, state agent Phoenix of Hartford at Atlanta, died suddenly at Mobile, from a heart ailment. A veteran field man of the south, Mr Maddox had been with the Phoenix several years and before that as special agent of the American Eagle at Atlanta.

Roy C. Wicker, Georgia state agent of the London & Lancashire group, died at an Augusta hospital following a brief illness. He made his headquarters in Warrenton, Ga.

A. J. Cameron, a well known broker of Chicago, who was connected with the W. J. Foster agency, died at the age of 65. He had been in the business 40 years. His business will be carried on by his sons, Robert and Donald. He was connected with Fred S. James & Co. and with Smith, Lawson & Coombs in his time.

Frank B. Johnson, 78, president of the National Security Fire and for many years a powerful figure in Omaha affairs, died at his home there.

A. E. Beckwith, 70, president of the Citizens Federal Savings & Loan Association, Cleveland, and long a local agent there, died at his home.

Casualty Results in 1938 in Washington and Oregon

Total casualty net premiums in the state of Washington in 1938 were \$12,332,460, an increase of \$1,064,750 over 1937, and paid loss ratio was 34 percent. Company leaders in net premiums were: United Pacific, \$1,025,694; General Casualty, \$876,217; Farmers Automobile Inter-Insurance Exchange, \$507,015; Aetna Casualty, \$469,010; Hartford Accident, \$443,556; Travelers, \$437,924; U. S. F. & G., \$430,231; Northwest Casualty, \$426,026; Pacific Indemnity, \$381,599; Trinity Universal, \$366,487.

In Oregon, the casualty total was \$7,842,762, with loss ratio of 44.7 percent. The seven leaders there were: Farmers Automobile, \$526,024; Pacific Indemnity, \$398,044; General Casualty, \$365,084; State Farm Mutual, \$330,343; Oregon Automobile, \$306,564; Mutual Benefit H. & A., \$289,737; United Pacific, \$273,322; Hartford Accident, \$222,608; Aetna Casualty, \$206,839; U. S. F. & G., \$202,419.

Adjusters to Elect Officers

The annual meeting of the Adjusters Association of Chicago will be held at a luncheon May 4. The nominating committee, headed by A. H. Borchers, independent adjuster, is preparing the slate. H. H. Moore, Underwriters Adjusting, is president; Fred A. Deuss of the William R. Feiler independent adjusting office, vice-president; Charles J. Peck of Wagner & Glidden, treasurer, and T. F. Charlton, Western Adjustment, secretary. Heretofore the custom has been to advance the officers.

Extend Nebraska Investigation

LINCOLN, NEB.—The insurance department investigating committee of the legislature, which had been directed in the resolution creating it to report on April 12, secured 10 days' extension of time in order that it may complete audits connected with companies under the jurisdiction of the securities bureau. It introduced another "reform" bill which would require assessment companies now doing business, to deposit with the department the \$30,000 now required by law of mutual companies.

E. B. Smith of the Reynolds General Agency at Fremont said that probably \$2,000,000 in taxable property is being omitted from rolls in Nebraska because of the failure of insurance companies to report premiums collected. Mr. Smith

said that a great many automobile salesmen are also insurance agents because every time they sell a car on the finance plan insurance is included in the monthly payment, the rates being quoted by the salesmen to the buyer. In addition several large automobile companies which do their own financing and collect these premiums without payment of commissions to anyone do not report these premiums for taxation.

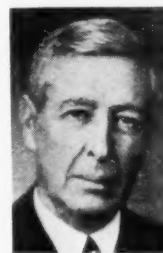
Director Smrha agreed with Mr. Smith that the automobile agents who also sell insurance should pay fees to the state for licenses to do business, but he did not believe any were operating without a license as companies will not accept business unless properly countersigned. An effort is made to check for such violations and complaining agents have been asked to name violators, but no names have been furnished him.

Free Glutz, But Smear His Name

About 75 witnessed a mock trial that was staged by the Graduate Society of the Insurance Institute of Winnipeg. L. S. Watson impersonated Joseph Glutz, who was brought before B. V. Richardson, serving as the magistrate, to be tried for arson. Mr. Glutz was acquitted but with a somewhat besmirched character.

Firemen's Official Is Retiring

Hugh R. M. Smith, vice-president of Firemen's of Newark in the western department, has voluntarily retired. However, he has agreed to be available for consultation from time to time. He had desired to be relieved of his responsibilities for some time, but the management had until now always been able to prevail upon him to remain at his post.



Hugh R. M. Smith

A testimonial dinner will be given for Mr. Smith by the officers, to which all of the employees of the western department have been invited, April 19, at the Lake Shore Athletic Club, Chicago. Some of the head office officials are expected to attend.

Mr. Smith was born in Ireland and was educated at Coleraine School, County Londonderry, Ireland. He

started with the Northern Bank in Belfast. He came to this country and served with Public Service Corporation in Texas for some years and later as secretary of a railroad corporation under the joint management of the Frisco and Santa Fe Railways. He went with Firemen's in the western department as cashier in 1910, when the office was opened. He served later as office manager, assistant manager, assistant secretary, secretary, second vice-president and vice-president.

Insurance Men at Credit Dinner

NEWARK—The Institute of Credit of the New Jersey Association of Credit Men held its last credit forum of the season at a dinner here. Speakers included H. P. Jackson, president Bankers Indemnity; Oliver Thurman, vice-president Mutual Benefit Life, and H. B. Dodge, Newark manager National Surety. L. E. Falls, vice-president American of Newark, was toastmaster.

F. C. A. B. Arkansas Changes

Paul C. Howard of Little Rock has become manager of the Fire Companies Adjustment Bureau at Jonesboro, Ark. He succeeds H. W. Waterman, who has been transferred to a similar position at Fort Smith.

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The American Insurance Group
Newark, New Jersey

Gentlemen:

Although I have been employing the Insurance Survey and Analysis idea for some time, I find that with the aid of your Analysis Guide I can not only shorten the time it takes to prepare an Analysis, but the finished Survey is more complete and hence affords greater opportunity for new business. It would seem to me even a beginner can make a competent Survey with the aid of your Guide.

(signed) Andrew Jack, Ins. Mgr.,
Mansfield & Swett, Maplewood, N. J.

Would you like to see our Analysis Guide

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Fire & Marine Companies

THE AMERICAN INSURANCE COMPANY
THE COLUMBIA FIRE INSURANCE COMPANY

THE JERSEY FIRE UNDERWRITERS
DIXIE FIRE INSURANCE COMPANY



THE EXCESS INSURANCE COMPANY OF AMERICA

ROBERT N. ROSE, PRESIDENT



CONDENSED STATEMENT AS OF DECEMBER 31st, 1938

ASSETS

Cash in Banks and in Office -	-	-	-	-	-	-	\$ 693,921.64
United States Government Bonds -	-	-	-	-	-	-	965,122.94
Other Bonds -	-	-	-	-	-	-	876,950.36
Stocks, Preferred and Common -	-	-	-	-	-	-	515,454.67
Mortgage Loans—Unpaid Principal -	-	-	-	-	-	-	21,050.00
Outstanding Premiums (Less than 90 days due) -	-	-	-	-	-	-	178,580.82
Accrued Interest on Investments -	-	-	-	-	-	-	18,270.43
Other Assets -	-	-	-	-	-	-	22,052.00
Total Admitted Assets -	-	-	-	-	-	-	<u>\$3,291,402.86*</u>

LIABILITIES

Reserve for Claims and Claim Expenses -	-	-	-	-	-	-	\$1,092,040.82
Additional Reserve for Claims and Claim Expenses (Non-admitted reinsurance) -	-	-	-	-	-	-	19,822.80
Reserve for Unearned Premiums -	-	-	-	-	-	-	381,277.20
Additional Reserve for Unearned Premiums (Non-admitted reinsurance) -	-	-	-	-	-	-	19,636.26
Commissions and Brokerage (Including reserve for contingent commissions, net) -	-	-	-	-	-	-	36,516.73
Other Liabilities (Including Taxes) -	-	-	-	-	-	-	131,477.56
Reserve to reduce securities to quoted Market Value as of December 31st, 1938	-	-	-	-	-	-	100,453.42
Capital—Paid In -	-	-	-	-	-	-	\$755,095.00
Net Surplus -	-	-	-	-	-	-	<u>755,083.07</u>
SURPLUS TO ASSURED -	-	-	-	-	-	-	1,510,178.07
	-	-	-	-	-	-	<u>\$3,291,402.86</u>

*NOTE: Included above are 1231 shares of an insurance company carried at a book value of \$13,327.67 for which no association value has been established. Securities carried at \$624,552.47 in the above statement are deposited for purposes required by law or contract. Bonds and Stocks are valued in accordance with requirements of State of New Jersey Insurance Department.

For complete information see Annual Statement filed pursuant to statute with the State of New Jersey. The above balance sheet is only a condensed statement for comparative purposes.

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The NATIONAL UNDERWRITER

April 13, 1939

CASUALTY AND SURETY SECTION

Page Nineteen

Including Fidelity with Burglary Seen as Key to New Field

Small Merchants Now View Dishonesty Cover as Slur on Employees

NEW YORK—The psychological barrier to the sale of commercial fidelity coverage to the small storekeeper could be readily circumvented by embodying fidelity protection in the \$250 storekeeper's burglary and robbery policy, according to E. H. Kingsbury, metropolitan production manager Fidelity & Casualty, who for several years had charge of countrywide sales promotion of bonding coverages.

Asked about the sales possibilities for fidelity coverages among small shopkeepers and even to merchants employing half a dozen clerks, Mr. Kingsbury said that this market is virtually impossible to crack. Not only does the storekeeper feel that he knows his employees personally so well that there is no need of fidelity protection, but the more an agent tries to convince him of the possibility of such a loss the more resentful the prospect becomes at what he considers reflections on his trusted associates.

Fidelity Experience Good

Experience of the companies a few years ago with the so-called fraud bond, which included fidelity coverage, showed that the latter can be sold when wrapped up in a suitable package and that fidelity loss experience was satisfactory, Mr. Kingsbury contends. While the fraud bond had to be withdrawn because of the heavy losses due to inclusion of forgery coverage on incoming checks and the resentment caused by the coinsurance requirements in the counterfeit money coverage, there was no trouble with the fidelity phase of the coverage. The bond covered up to \$200 for each of the coverages, including fidelity.

Mr. Kingsbury would also like to see added to the storekeepers' burglary policy \$250 of forgery protection on outgoing checks. Losses on the latter are slight as compared with incoming checks, on which the merchant is all too willing to take a chance for the sake of business.

Would Lessen Price Obstacle

If this could be done for around \$15, it would bring the present storekeeper's burglary policy, ranging from \$30 to \$40 depending on territory, to approximately \$45 to \$55. If it were not practicable to embody the additional coverages in the policy, they might be added by rider.

Another advantage would be that this inexpensive blanket fidelity coverage would remove the price obstacle to the sale of small fidelity lines. At present

Convert N. C. Bureau to Statutory Unit

To Revamp Voluntary Auto Rate Office at Meeting April 19

Commissioner Boney of North Carolina has called a meeting of automobile writing companies in Raleigh for April 19. At that time proposal will be advanced to revise the constitution of the automobile rate administrative office that was set up recently within the Compensation Rating & Inspection Bureau of North Carolina. That office was created voluntarily by the companies and a constitution was adopted. Since that time the bureau has been made a statutory one through enactment of a bill to provide for the regulation of automobile bodily injury, property damage and collision insurance rates.

Changes in the constitution are necessitated by the provisions of that law.

Under the law, the bureau would promulgate rates and rules, would encourage safety on the highways "by offering reduced premium rates under a uniform system of experience rating as may be approved by the insurance commissioner." A company operating in the state and writing these classes of business must belong to the office and shall have one vote. The governing committee shall be composed of equal representation by stock and non-stock insurers. The expense of the bureau is to be borne by the members through quarterly contributions depending upon their premium writing.

The insurance commissioner or one of his deputies shall be ex-officio chairman of the office and shall reserve any controversies by his vote. The general manager of the Compensation Rating & Inspection Bureau shall be the general manager also of the North Carolina automobile rate administrative office.

The act is to become effective as soon as possible but not later than June 1 of this year.

the minimum premium on any employee is \$10 which provides up to \$2,000 of protection in some cases. This is much higher than the usual small storekeeper needs, whereas \$250 would be about right. Sufficient spread of risks would be obtained, Mr. Kingsbury feels, so that some expenses might be eliminated, such as for investigations.

Less Chance of Offending

By thus sugar-coating the fidelity pill with other related coverages, there is little danger that the merchant will become insulted at insinuations that his employees might turn out to be crooked. The fidelity coverage would be viewed as merely one of the links in a well-wrought chain of protection against a number of well recognized hazards.

E. C. Stone, United States general manager and attorney for the Employers Liability, has been in Arkansas with reference to insurance matters generally and the new Arkansas workmen's compensation law in particular.

Colo. Quiz Reveals Shady Deals

Affairs of International Mutual Liability Are Exposed at Hearings

DENVER—In sensational testimony given here this week, a special house committee appointed to investigate the insurance department was told that International Mutual Liability, a Colorado company writing compensation, was allowed to operate during 1938 despite the fact that it had \$55,000 in claim liabilities and apparently only \$22,000 in assets.

Seven witnesses called in the first three hour hearing testified as follows:

1. That in July, 1938, International Mutual ignored an order from the state executive council to deposit sufficient funds with the commissioner to protect more than \$55,000 in claims.

Twenty-six Percent Deal

2. That International had a contract with Compensation Underwriters, to which it paid 26 percent of its gross income.

3. That officers and directors of International were the same as officers and directors of Compensation Underwriters.

4. That, having been organized and licensed in the fall of 1935, International had assets of only \$51.90 at the close of 1935 and yet was permitted to continue operating when one officer of the company posted \$2,600 worth of bonds with the department.

Bonds Sold Four Days Later

5. That these same bonds were sold four days later, the company having paid \$100 a day rent for use of them.

6. That International, at the close of 1937, filed four annual reports before getting one worked out that was satisfactory to the department.

7. That certain of the annual reports were sworn to falsely.

8. That, in March, 1938, the company's attorney dictated a letter showing the company had \$10,000 worth of bonds at the close of 1937 and that he directed his stenographer to date the letter Dec. 31, 1937. These bonds, the testimony showed, were actually not purchased until March, 1938 but were credited to the 1937 financial statement.

Attorney Fails to Get Action

John E. Fitzpatrick, Denver attorney, testified that he attempted to get International a permit to operate in 1935 and when it was not immediately forthcoming, withdrew as attorney. The permit was issued Oct. 14, 1935, according to testimony of a department employee.

Representative Herman Kline, who conducted the investigation said: "It's a curious thing that a reputable attorney like Mr. Fitzpatrick couldn't go up there and get a permit but when another lawyer comes along, a lawyer who has been indicted by a federal grand jury, he gets the permit without any trouble."

The attorney he referred to, Kline

(CONTINUED ON PAGE 20D)

Bureau Takes Potent Step in Competition

Greatly Extends Coverage Under Auto Liability Policy Without Charge

NEW YORK—Drive other cars coverage broader than the present "limited" form for which an additional charge is made, will now be included in the private passenger automobile liability policy without charge. Announced by the National Bureau of Casualty & Surety Underwriters as applying to every state as quickly as filings can be made and approved, this step will undoubtedly be a powerful blow at competition.

It is significant that the bureau companies have not merely met competition, but have gone a step farther. The new feature covers both the named assured and his or her spouse while either is operating or writing in any other private passenger automobile not specifically excluded. It also covers the assured and spouse while operating or riding in a hired private passenger automobile, provided such hiring is only occasional. It covers the personal non-ownership liability of the assured and his or her spouse from the operation of private passenger automobiles by a chauffeur or domestic servant employed by them. It does not cover cars owned by the assured or spouse or regularly hired by them.

Trailer Coverage Included

This extension of coverage follows the terms of the automobile liability policy and includes use of trailers for personal, pleasure or family purposes, other than trailer homes.

The present "limited" drive other cars endorsement costs from \$1 to \$4 additional, depending upon the assured's private passenger automobile premium. It covers only the named assured, with the same additional charge for each member of the assured's family who secures drive other cars protection. It covers only operation of private passenger automobiles not owned by the assured and does not cover hired cars. There is no non-ownership coverage for operation of cars by the assured's servants. Thus the assured will now get without additional charge more protection than was formerly obtainable for \$2 to \$8 (since both the assured and his spouse are covered under the new feature).

Non-ownership coverage against liability from operation of automobiles by servants of the assured was recently authorized in the March 27 manual changes, under the name of "private non-ownership liability." This coverage calls for the full non-ownership manual premiums, with a minimum bodily injury liability and property damage liability premium of \$15. Coverage is broader than that given under the new extension of the private passenger liability policy,

(CONTINUED ON PAGE 20-E)

What Is Best Plan for Handling Agency Meetings?

Plans for conducting agency meetings, their value and the points to be stressed in such meetings formed the subject for discussion at the April meeting of the Chicago Accident & Health Association this week.

E. H. Ferguson, assistant secretary Great Northern Life, took up the topic from the standpoint of home office cooperation in agency meetings, particularly in connection with the attendance of home office men at such meetings. He said that agencies usually like to have visitors from the home office, who can give them the home office viewpoint on various topics in a much better way than can be presented by correspondence. The home office men can furnish a new stimulus to the agency, in addition to giving the agents information about policy contracts and underwriting practices. He said that in such meetings the agents should be encouraged to address questions to the company men. In inviting home office executives to attend agency meetings, he suggested that the agency manager or general agent should tell them just what he wants them to cover.

Branch Office Meetings

A. D. Anderson, Continental Casualty, speaking from the branch office viewpoint, told of the meetings he has held early in October for the past three years. They have been three-day sessions, held from 12:30 to 2 p. m. each day. He suggested avoiding Monday as one of the days for such a meeting. He said the meetings seem to appeal particularly to new men, and especially to life men. They have enabled his office to make many new contacts and have resulted in many direct sales, 68 applications being turned in during the meeting last year. The first day was given over to general presentation of policy forms, the second to specialized contracts and the third to selling plans. The attendance was 97 the first day, 102 the second, 113 the third.

For Full-Time Agency Force

R. E. Watts, Pacific Mutual Life, gave the viewpoint of a life and accident agency of full-time producers. He said the sales meeting has three purposes, inspiration and the creation of enthusiasm, presentation of information and training. He emphasized the need for preparation for a meeting, as agents who give their time to attend such a meeting expect something in return. In his agency, a schedule is laid out for six months ahead.

He reviewed the various types of meetings used in the agency, including the annual plan meeting the last week in December to line up production for

the coming year, the "huddle" or short "pep" meetings each day during a contest, special educational sessions for new men prior to the time when they are ready to join in the general meetings, and the regular weekly meetings. After experimenting with various times for those meetings, it was found that best results were secured by holding them on Wednesday from 3 to 5 p. m. That time avoided the disadvantages found in both the earlier and later days of the week. On several occasions agents have invited their most influential policyholder to tell how he was sold and why he bought. On these occasions, the speaker has been used as a "guinea pig," answering questions from agents as to his reaction to various types of sales approach.

C. F. Lundquist, Fred S. James & Co., speaking for the multiple line agency with an accident department, expressed the belief that too many meetings are held and too much time is spent on underwriting and policy contracts. He declared that the prospect is more concerned with what the policy will do, and that idea should be emphasized to the producer. The points that he especially urged were that meetings should be held regularly, should start and close on time, be short and snappy and take up only one topic. If too much ground is covered, the agents are likely to get mental indigestion. The essential thing is to give them something that they can turn into dollars.

Redfield Against Agency Meetings

C. T. Redfield, Mutual Benefit Health & Accident, injected a dissenting note. He said he had tried every kind of agency meeting and now has given them up entirely. The door to his office is always open and he is willing to hold an agency meeting any day or hour of the day with any man in the agency. He declared that it is impossible to make agents fit into a pattern and that any presentation at a meeting attended by some 25 to 100 agents has to be so generalized that it falls far short of meeting the individual producer's need.

F. H. Crowther, W. A. Alexander & Co., expressed agreement with Mr. Redfield. He said his agency does not hold meetings of accident and health producers but tries to take up each producer's case individually.

Surgeon to Speak at Breakfast

President Anderson announced some of the plans for the Accident & Health Insurance Week breakfast at the Hotel La Salle April 24. One interesting innovation is the securing of a staff surgeon in a large hospital, who will tell of his own contacts with accident and illness

Nebraska Casualty Leaders for 1938 Are Listed

LINCOLN, NEB.—Casualty leaders in Nebraska for 1938 were:

	Premiums	Losses
State Farm Mut., Ia.	\$485,344	\$211,384
Hartford Accident.....	438,255	170,787
Travelers	424,239	177,600
Mutual Benefit H. & A.	420,787	203,931
U. S. F. & G.....	308,213	93,235
Employers Mut., Ia.	418,860	177,630
Employers Liab.....	289,566	140,606
London Guarantee.....	181,877	100,232
New Amsterdam.....	175,475	64,149
General Accident.....	162,154	63,537
Continental Casualty....	149,939	57,688
Fidelity & Casualty.....	149,617	61,081
National Surety.....	141,534	46,365

cases and how peace of mind will aid in the patient's recovery. There will also be two company men on the program. More than 200 reservations for the breakfast have already been made and a total attendance of at least 500 is expected.

At the next regular meeting of the association, May 9, the new officers will be installed and Mr. Redfield will lead a discussion on postal laws and bulletins.

Employers Liability Picks Four for Home Office Trip

BOSTON—Four employees of the Employers Liability home office staff have been selected for the annual visit to the home office and a tour of Europe at the company's expense, in accordance with a custom of recent years. United States Manager E. C. Stone selected two candidates, Miss Katherine E. Davis of the investment department and E. T. Kenney of the personal accident and group disability department. Department heads' selections for the trip were G. L. Story, superintendent special risks department, and F. J. Carey, superintendent statistical department. The winners will enjoy a six weeks vacation with pay, plus a substantial cash contribution, with one stipulation, that they must visit the home office in London.

Banks to Fight Section 50-A

NEW YORK—Banking interests are expected to offer strong opposition to section 50-A of the insurance law, when the revised code, which has already passed the assembly, comes up for hearing before the senate insurance committee. That section, which has been part of the insurance law since 1932, forbids financial institutions to carry fidelity bonds with companies other than those licensed in this state.

Last week the New York supreme court upheld the validity of 50-A, finding that several New York banks had violated the law in patronizing London Lloyds.

National Surety Gets Bouquets

A large number of appreciative letters has been received by Vincent Cullen, president of National Surety, since the beginning of its 1939 advertising campaign which is devoted to a demonstration of the importance of the American agency system and a re-affirmation of National Surety's policy of "No Business Direct."

The general theme has received the approval of hundreds of producers who have written to Mr. Cullen. Agents associations in 13 states and the National Association of Insurance Agents, have officially praised the program.

Effective Appeal to Druggists

After the advertisement entitled "No Business Direct," the next advertisement was entitled "A Dollar's Worth of Drugs, Please. I'll Compound Them Myself." It showed a customer holding a prescription before a surprised druggist. The copy demonstrated the need for the local druggist as a middleman and the community of interest which existed between the independent local business man and the local agent.

One agent reported that he had called upon a local druggist who told him that he was insured in a direct writing mutual. The agent displayed a copy of the National Surety advertisement and in 15 minutes had taken over his complete line.

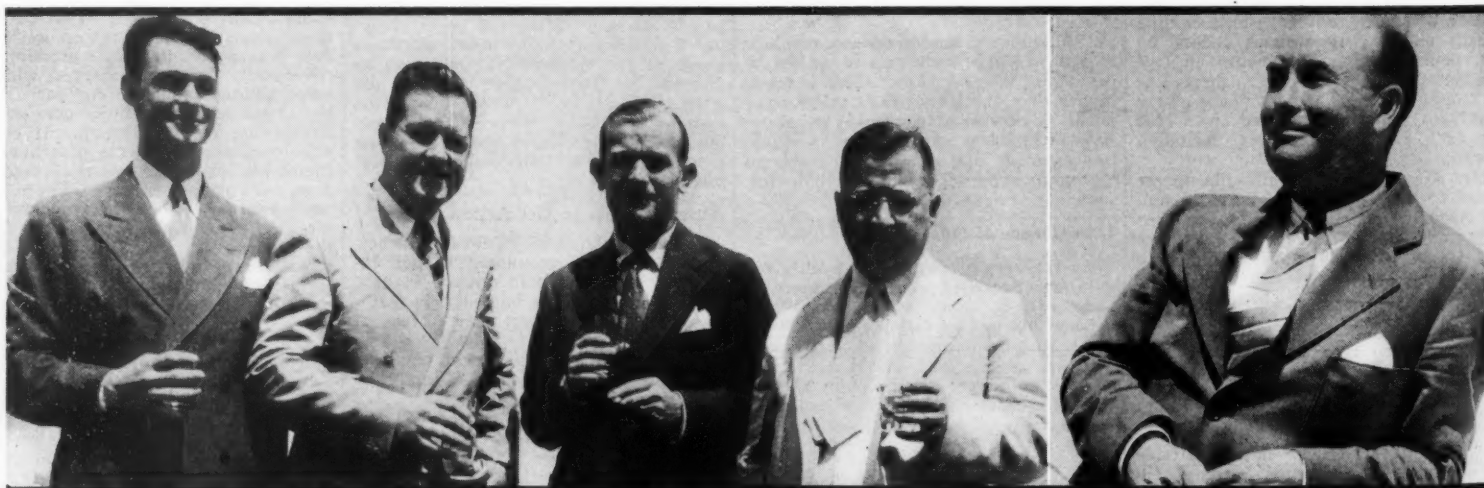
National Surety has repeated this procedure in the grocery field, plumbing and heating, building field, and is continuing with advertisements in the automotive field and other important business lines. The campaign and copy were developed and written by Averell Broughton, specialist in financial and insurance public relations and advertising, who has served as advertising counsel to National Surety for several years.

Letter From Walter Bennett

The approval of the executive committee of the National association was delivered by a letter from Walter H. Bennett and in a formal communication in which he said, "During the deliberations, there was discussed the recent advertisement carried by National Surety Corporation, over your signature, with regard to the subject of direct writing. Gratification was expressed by the committee for the position you have publicly taken in this regard. The committee desired that this information be passed on to you, and I am happy to do so."

Other letters of approval have been received from Russell M. L. Carson, president New York State Association of Local Agents; Frank B. Moses, secretary Pennsylvania Association of In-

(CONTINUED ON PAGE 39)



SNAPPED AT PARTY GIVEN BY SERTEL-REDUCKA AGENCY OF MIAMI AT SURF CLUB AT MIAMI BEACH, FLA.:

Charles Cotsworth, assistant agency superintendent, Carlton Hines, vice-president, E. J. Curada, southern manager, Otto Patterson, executive vice-president American Automobile; R. W. Forshay, Anita, Ia.

Surety Men Urged to Better Relations with Contractors

**James Gibbons Says
Corrective Measures Are
Needed in Competition**

CLEVELAND—Speaking on contract bonds and the attitude of general contractors toward surety and casualty companies, James E. Gibbons, consulting engineer of the American Surety, told the Cleveland Surety Club that it is up to surety men to improve their relationship with the contractors.

Hostile Attitude Is Noted

It is an open secret, he said, that contractors acting individually are usually hostile towards surety and casualty companies and everyone connected with them. They feel that certain practices of these companies and their representatives have been ruinous to the contracting business wherever they are indulged in to any sizable degree. The Association of General Contractors and other groups, working in cooperation with the bureau of contract information at Washington, D. C., have done much to eliminate these practices and improve relations between the two industries. However, if real substantial progress is to be made in a reasonable time, it must necessarily result from local cooperation between surety associations working in concert with local contractors organizations. The contract bond business, taken over the country at large, is important and runs into big figures.

Object to Competition

Mr. Gibbons brought out that general contractors of the responsible class object to the ruinous competition which results from the ability of irresponsible contractors to get contract bonds. He pointed to the experience in New York state where some years ago the state commissioner of public works refused to require surety bonds for the performance of construction contracts coming under his jurisdiction. In lieu thereof he required a sizable cash deposit which was held by the state until a specified percentage of the contract had been performed. It was thought, at first, that contractors being thus required to increase their working capital would bring about a rejection of this method and a return to the corporate bond system. However no such opposition from contractors developed and surety bonds were not restored despite heroic efforts on the part of the surety interests. On the contrary, contractors in that section were very much in favor of the cash deposit plan because they found that it eliminated much of the cut-throat competition and enabled them to get a fair price for their work.

Bonds Required By New Law

The contractors were quite active and effective in keeping the sureties out of the picture until last year when labor and material bonds, but not performance bonds, were reinstated in New York state by virtue of a law which made it permissible, but not mandatory, for the comptroller of the state to require such bonds. The present comptroller has up to the present time required such bonds. However, he can withdraw such requirement at his pleasure.

"It seems to me," said Mr. Gibbons, "that it is a sad commentary indeed when your best customer feels that you are his worst enemy. The corporate



CANDID VIEWS FROM FLORIDA MEETING OF LOCAL AGENTS:

(Top)—Miss Gladys Cole, Fall River, Mass.; Mrs. L. W. Garlich, St. Joseph, Mo.; Mrs. W. Owen Wilson, Richmond, Va. (Bottom)—W. T. Harper, superintendent of agents Maryland Casualty; F. C. Gittinger, San Antonio; D. A. Clark, Sweetwater, Tex., state president.

form of surety came into existence because of the great merit inherent in it. I am firmly convinced it will be reestablished wherever it has been abolished because its great merit will ultimately prevail. Many things must be changed first, however. In some areas the political broker will have to be removed from the picture. Just how this can be done I have no idea. Many other changes, which now seem impossible, will have to be made. The present attitude of contractors toward sureties must also be changed. This is something which lies within the power of the sureties and can be corrected at once.

Help Improve Position

"The surest way to reach a contractor's heart is through his pocketbook. Help improve his competitive position and you will have his complete cooperation. You can very effectively and promptly improve the contractor's position by discouraging the irresponsible bidder. The surest way to accomplish this is by refusing to write a bond for the irresponsibles. Don't be penny wise and pound foolish just because a commission is in sight. It was that practice that killed the goose that laid the golden eggs in New York. I solicit your serious, earnest and prompt consideration of this question."

War on "Chasers" Brings Protests

CLEVELAND—Charges have been brought against five more attorneys in the campaign against "ambulance chasing" undertaken by the Cleveland Bar Association. W. C. Beyer, one of the last group, and S. M. Young, former congressman at large, who was cited a few weeks ago, both complained of "persecution" by insurance companies. Beyer maintained that the insurance companies are making reprisals against him because he has been urging a constitutional amendment forbidding any bank to sell insurance over the counter. Young's claim was that the investigator who furnished information against him was on the payroll of an insurance company organization.

The Casualty Insurance Adjusters Association of Southern California has changed its annual picnic to May 6 at the new Streamline Park, Durkee Road.

W. H. Stewart Rues Trend Toward Government Funds

W. H. Stewart of Chicago, chairman of the surety committee of the National Association of Insurance Agents, in reporting at the mid-year meeting of that organization, asserted that many members are becoming increasingly alarmed at the continuous encroachment of government created reserves or funds which are displacing, either in whole or in part various forms of bonds and insurance ordinarily written through the facilities of insurance companies created by private capital.

"We have witnessed during the past several years," Mr. Stewart observed, "an expanding tendency toward the creation of so called insurance plans, which are deemed to be uninsurable, yet the government, through general taxation, attempts to provide indemnity without setting up adequate reserves or adding certain normal expenses. To a large measure these schemes are experimental because the extent of liability is unknown. Hence an attempt has been made to project rates to augment funds, the nucleus of which are appropriated by Congress, and consequently the cost of such protection is not contributed by those individuals who secure the advantage of such programs."

Should Give Insurers Opportunity

"It is our contention that ample opportunity should be afforded those insurance companies which are engaged in the surety and insurance businesses, to justify rates and protection. Their experience and stability have successfully withstood periods of extreme economic stress."

"As an organization composed of local agents conducting a general surety and insurance business the National Association should vigorously oppose the establishment of indemnity fund, or the continuation of such funds, which eliminates the agents' usual personal service rendered by them in effecting sound protection."

"While there is apparently no disposition on the part of the government to invade the field of private business gen-

Illinois Department's 18 Auto 'Suggestions' Closely Studied

**Each Company Is
Relating Proposals to
Its Own Situation**

The 18 "suggestions" of the Illinois department for changes in the automobile insurance rate and rule setup in the state touch different companies in different ways, but practically every company would have to revise its procedure in certain respects if these changes were put into effect. Naturally the proposals have caused a great deal of interest. The department invited the companies to state their reactions to these proposals, and it is understood that many replies have already been mailed. The department intends, it is understood, to convert those suggestions, concerning which no objection is filed, into rulings. Then, it intends to call a hearing, for discussion of objections to the other "suggestions."

The Chicago "Daily News" the other evening printed a story that at a meeting of 14 automobile writing companies, decision was made to apply for an injunction restraining the department from enforcing any of these rules. Considerable mystery exists as to the group to which the "Daily News" was referring. There was a meeting in Chicago of a dozen or so representatives of independent companies, most of which are full cover specialty writers and which belong to a rather loosely knit organization of which George H. Schirmer, Mid-West Auto Underwriters of Freeport, Ill., is president. However, spokesmen for that group state that no decision was made to go to court and that no group action was taken. Each of the companies in this group is making its individual response.

Bureau Issue Passed

Some of the independent companies seem to feel that the "suggestions" would have the effect of benefiting the member companies of the National Bureau of Casualty & Surety Underwriters. However, the leading bureau companies are much distressed at the "suggestion" that equity rating be abolished.

The bureau people have felt that in equity rating they have their one offensive weapon in the automobile field and they don't like the idea of being deprived of the opportunity to go after fleet business with a free hand.

Each company is relating the "suggestions" to its own practices and most of the replies probably constitute endorsements of the suggested program, but with reservations on this point and that.

A good many of the companies are taking a waiting position, to see just how determined the department is to convert the "suggestions," into rulings.

erally, there is a tendency, in certain branches of the government, to establish these funds.

"If local agents are to have full participation in the general national business recovery, it is essential that the development of insurance be left to them without government interference."

W. Fasbender, superintendent of the burglary and plate glass department of Preferred Accident, has had immediate as well as supervisory charge of the plate glass business since the retirement of the veteran, H. D. Clark, some time ago.



FROM THE AGENTS MID-YEAR MEETING IN HOLLYWOOD, FLA.:

(Top)—Mrs. H. W. Bradshaw, Delphi, Ind., and Mr. Bradshaw. (Inset)—Gertrude E. Terry, Miami, chairman registration committee.
(Bottom)—Benning Huld, Atlanta, retiring state agent Springfield F. & M.; A. C. Eifler, Tampa, executive secretary Florida agents association.

Bureau Takes Potent Step

(CONTINUED FROM PAGE 19)

but it is believed that the new gratuitous protection will meet the needs of the vast majority of private assured.

Since this new extension covers only the named assured and his or her spouse, it does not apply to automobiles owned by corporations or partnerships. It may be extended to other members of the named assured's household for an additional premium.

The bureau, it is understood, will attach endorsements to existing policies to include these three new benefits.

The new broad coverage is effective at once in District of Columbia and all states except Illinois, Kansas, Louisiana, Massachusetts, Minnesota, New Hampshire, New Mexico, New York, North Carolina, Oklahoma, Oregon, Texas, Vermont, Virginia, Washington, West Virginia and Wisconsin. Filings and approval are necessary in these states and the bureau has announced that necessary steps will be taken at once.

About two weeks ago, American Automobile, one of the most potent non-bureau competitors, announced that it would include without additional charge limited drive other cars coverage and theft reimbursement benefits, providing for reimbursement up to \$5 per day for use of taxi or other transportation during its 30 day waiting period between theft and settlement of the loss. It also announced that this change would be retroactive on all private passenger car policies in force.

Following American Automobile's move, there was a general belief that the National Bureau would meet this competition. Instead of contenting itself with this, however, the bureau has taken the offensive and gone a step further.

A number of non-bureau companies are now including limited form of drive other car coverage in their automobile liability policies. The companies that

have made this departure include Car & General, General Accident, Ohio Casualty and Trinity Universal.

The group of non-bureau automobile writing companies that operate through an association, in Indiana, have decided to include in their policies, without charge, a limited form of drive other car endorsement. It is not made retroactive, however. The endorsement applies only to the named assured. It covers any liability that may be imposed upon the named assured while driving another car, excluding hired cars, other cars registered in his own name or the name of other members of his immediate family, cars furnished to him by his employer.

DISCUSSED IN LOS ANGELES

LOS ANGELES—The Casualty Insurance Association of Southern California devoted its meeting April 10 to a discussion of the extension of the drive-other-car coverage. The matter was brought to the attention of the association by a telegram notifying local offices of the adoption of the plan by bureau companies.

The West Coast Automobile Insurance Conference held a meeting here at which the plan was discussed.

Edward A. Bantel, office manager, and Mrs. Grace Schmidt, cashier's department, completed 25 years of unbroken service Monday with National Bureau of Casualty & Surety Underwriters. The bureau staff, together with representatives of the Association of Casualty & Surety Executives, and the acquisition cost conferences, assembled for the presentation to Mr. Bantel and Mrs. Schmidt of bouquets of roses. Mr. Bantel received a handsome watch, and Mrs. Schmidt a secretary-desk and a silver clip dish. William Leslie, general manager of the National Bureau, spoke briefly. He was followed by Louis A. Mills, assistant secretary Association of Casualty & Surety Executives, and A. W. Whitney, consulting director of the National Conservation Bureau. W. B. Taylor, assistant manager of the liability department, presided.

Much Progress Is Shown in the Firemen's Group

NEWARK—At the stockholders meeting of Firemen's of Newark, President John R. Cooney reported that the original mortgage loan secured by Metropolitan Casualty, from the RFC amounted to \$4,731,842. It had been reduced to \$505,769 as of March 31, 1939. Of the \$4,000,000 of preferred stock of Metropolitan Casualty bought by RFC \$800,000 had been repurchased and paid for out of the operating profits.

The casualty division for the third consecutive year produced an operating profit from ordinary 12 months' business, excluding necessary adjustments, amounting to \$1,538,099. Casualty companies, President Cooney said, had a premium increase in 1938 of \$1,334,610 over the previous year, a percentage increase of 10.53 percent. The combined loss and expense ratio of the casualty division for 1938 was 91.50 percent.

The fire division produced an operating profit excluding necessary adjustments of \$1,569,507. The fire companies premium decrease amounted to \$219,978, a percentage decrease of 1.06 percent. Combined loss and expense ratio for the division was 96.47 percent.

The combined operating profit for the group, President Cooney stated, excluding necessary adjustments, was \$3,107,606, while the combined fire and casualty loss and expense ratio was 94.46 percent.

Three new directors were elected—Howe S. Landers, president of the casualty group, Claude E. Hamilton, Jr., and Walter Kidde.

Retain Bay State Assignment Plan

The Massachusetts Automobile Rating & Accident Prevention Bureau at its annual meeting voted to continue the plan for assignments of assured of the defunct Broad Street Mutual Casualty and Canton Mutual Liability that was agreed upon last Dec. 28. Assignments direct to the companies, upon which no commission is paid, number about 14,000.

A scheme for permanent assignment of rejected risks and risks of failed companies that are not able to get insurance elsewhere is being considered. A plan is also being considered for installment payment of premiums.

Those that were elected members of the governing committee are: Aetna Casualty, Employers Liability, Massachusetts Bonding, Preferred Accident, Travelers, American Mutual Liability, Liberty Mutual, Lumbermen's Mutual Casualty, Merchants Mutual Casualty and Utica Mutual.

Seek to Hit Private Market

NEW YORK—Following a recent gathering of surety managers to devise ways and means for popularizing the sale of contract bonds for private work, a committee to formulate a program has been appointed, consisting of A. L. Carr, National Surety; M. L. Jenks, American Surety; J. R. Rooney, Indemnity of North America; R. J. Hill, Jr., Maryland Casualty; J. Brodsky, Fidelity & Casualty; H. B. O'Mally, Aetna Casualty, and J. P. Madigan, Fidelity & Deposit. Martin Lewis, president Towner Rating Bureau; Col. Proctor, Association of Casualty & Surety Executives, and W. H. Estwick, U. S. F. & G., will act as consultants.

Travelers Makes Two Changes

The Travelers is transferring G. R. Summerton, casualty manager, Atlanta, to the Hartford branch, succeeding M. N. Platt, formerly manager casualty department, who was transferred to 55 John street, New York, as compensation and liability manager. J. H. Cosby, assistant manager in Richmond, succeeds him in Atlanta.

Urges Safety Education in Schools

ST. PAUL—Branding the preventable accident as America's real Public Enemy No. 1, Ray Murphy, assistant general manager Association of Casualty & Surety Executives, in a talk at the award presentation dinner of the Minnesota Safety Council urged broader safety instruction in the schools.



GLIMPSED AT NATIONAL AGENTS CONVENTION IN FLORIDA:

(Top)—B. A. Jochen, assistant U. S. manager Eagle Star; Kenneth May, assistant secretary National Union.
(Bottom)—T. F. Southgate, Durham, N. C.; Thomas O'Berry, Goldsboro, N. C., state president.

Missouri True Bills Cause Great Surprise

(CONTINUED FROM PAGE 5)

rected single handed from the beginning.

Some believe that Mr. Street, whose health was failing badly by that time, but unbeknown even to his close associates, was anxious to write finis to the protracted Missouri rate case before his death. All of the impounded funds that were returned to the companies under the terms of the compromise have been accounted for in the regular way. The \$447,000 that it is alleged Mr. Street gave to O'Malley and Pendergast was collected by him directly from the companies. It represented 5 percent of the amount that they had received from the impounded premium fund.

Mr. Street occupied a unique position in the business by reason of the fact that over the years he had assumed command of many undertakings. He seized the reins and drove to his destination without taking anyone into his confidence. Although here and there resentment was expressed at his method and manner, leaders in the business had implicit confidence in his motive and capacity. When he asked for the \$447,000 in two instalments, no one considered challenging his demand. They felt that he had good and sufficient reasons for asking the money and that he would take no discreditable action. For more than 50 years he had been in the fire insurance business, always upright and respected.

Complete Surprise

The company executives were completely surprised and shocked to learn that the disposition of this money was suspect. Seemingly the leaders in the business did everything in their power to cause the facts to be revealed when the grand jury got into action.

Mr. McCormack some time ago admitted that he had received \$30,000 of the \$447,000 fund and that he had filed an amended income tax report, including that income. It is now indicated that Mr. McCormack received \$52,500 in addition.

The government contends that if Pendergast had properly reported the amounts received from Mr. Street he would have paid an additional income tax of \$170,201 for 1936 and O'Malley, who paid no federal tax that year, would have paid \$5,897.

In 1936, government agents discovered that Mr. Street had received in 1935, \$100,000 from the insurance companies. This money Mr. Street had put through his own personal account, but there is absolutely no suspicion that Mr. Street benefited financially in any of the transactions. Mr. Street was challenged at that time and he paid an income tax of \$47,000 through an amended return.

Post Mortem Disclosures

About three months after Mr. Street's death, in the spring of 1938, the government established that in 1936 Mr. Street had received a total of \$347,000. In the examination of the records of a Chicago bank the government agent found entries showing transactions in 1936 of \$30,000 in two items of bank credits of Mr. McCormack. When Mr. McCormack was approached on this matter, he filed an amended income tax return.

According to newspaper accounts, Governor Stark of Missouri told President Roosevelt that he suspected what the grand jury alleges. Stark and Pendergast are arch enemies. Stark, after assuming office, retained O'Malley as insurance superintendent in connection with a short time truce with Pendergast. He summarily ejected O'Malley, however, a few months later when O'Malley refused to do the governor's bidding in connection with one phase of the rate case.

O'Malley was a firebrand while in office. He has a mercurial temper and was getting into clashes on various fronts and he was pungent and pictur-

esque in his characterization of his enemies.

Everyone in the business, including company executives and local agents in Missouri, have been anxious for a long time to see the Missouri rate case settled. This had been protracted litigation. Endless complications had developed and the companies and agents were eager to close the book, salvage what they could and introduce into Missouri the modern forms of contract and rules that had been introduced previously in the other middle western states.

Attorneys for the companies felt that the case was all but won. They had received a very favorable report from the special master of the federal court and were almost certain that they would get a favorable decision from the federal court under which the companies would get 100 percent of the impounded premium. However, the companies and agents were anxious to settle the matter definitely. Under the agreement, the policyholders got 20 percent of the impounded premium, which the companies were willing to return as the price for writing an end to this protracted case. The companies, nominally, got 80 percent of the fund, but they were required to pay commissions to agents on the entire amount of the impounded premium,

amounting to roughly 20 percent. Then the attorney's fees amounted to 30 percent of the entire impounded amount which meant that the companies got a net return of approximately 25 percent of the impounded fund.

See Possibility of Reversal

O'Malley was appointed Missouri superintendent in 1933 by Gov. Guy B. Park and was let out by Gov. Stark in Oct. 19, 1937. He is 65 years of age.

The Missouri newspapers have mentioned the possibility that the 1935 compromise may be overturned even at this late date. Final judgment, it is said, has not been entered in the federal court cases.

Superintendent Lucas recently requested the federal court in Jefferson City for permission to intervene in the pending suit of the Ward Coppage Mercantile Company attacking the compromise and seeking to recover from the companies what they received. Lucas argues that under the Missouri laws the superintendent is the sole custodian of all impounded premiums in excess of the legally established rates, and that none of the funds impounded by the special federal court at Kansas City had ever been in his custody or that of his predecessors in office.

MISSOURI LAWYERS FAIL

The Missouri supreme court has overruled a motion for a modification of its opinion issued last Sept. 28 denying fee

allowances of \$412,500 to three Kansas City lawyers in the old 10 percent fire insurance case.

Last September the court held that allowances of \$137,500 each to John T. Barker, Floyd E. Jacobs and Glenn C. Weatherby, made by Circuit Judge Sevier of Cole county were invalid. At that time the court ruled the lawyers must look to the Missouri legislature for fees.

Several weeks ago the lawyers asked the court to modify the ruling to include language which would permit them to circumvent the lawmakers in an attempt to obtain their fees. They requested the court to hold that their fees were an expense of the insurance case which could be obtained by making an assessment against the insurance companies.

Suggest Bond to Protect Directors of Corporations

NEW YORK—Surety specialists are inclined to favor the suggestion that a form of indemnity be devised whereby corporation directors would be relieved of liability for acts of omission or commission, other than those of wilful law violation, as a result of their board affiliations. The idea has not yet advanced beyond the initial stage, however, and whether it will be taken up seriously will depend largely upon the reaction of big corporation executives.

Because of the rather numerous charges of neglect of duty against directors, and the efforts put forth to hold them liable for damages as a consequence, some corporations have had difficulty in retaining the services of men of prominence upon their boards, and of securing others to accept such posts.

According to an article in the New York "Times," the growing difficulty of securing able men of high character to serve upon directorates "has been recognized in Washington to the extent that suggestions have come from within the government that special compensation for directors might be a solution. It was considered doubtful however, whether any compensation would offset the extreme liability confronting a man accepting appointment to any board of directors. The litigation now pending in connection with the Charles Hayden estate, and that of the late G. M. P. Murphy being cited as illustrative of the financial risks to which such men are subjected."

Consider Rate Cut in Virginia

RICHMOND, VA.—Companies writing automobile liability and property damage coverage in Virginia proposed a reduction in rates of approximately 11 percent as the state corporation commission launched its annual inquiry into automobile rates. Justin Moore who appeared as counsel for 30 stock companies, told the commission improved experience due to the fewer number of costly motor accidents justifies a lower rate than that now in effect. It was recommended that the proposed new schedule of rates go into effect May 1. The commission took the matter under advisement and will fix new rates on various types of motor vehicles for the Virginia zones, using experience of the past two years. The proposed schedule of proposed reductions in liability rates for private passenger cars called for 11.1 percent reduction in this class of rates in the Norfolk area, no reduction in the Richmond area; 14.3 percent reduction in the Newport News area, and 16.7 percent reduction for the remainder of the state.

New Amsterdam Promotes Shramek

BALTIMORE — New Amsterdam has appointed Frank Shramek manager of the local department succeeding R. M. Golder, who died last February.

The new manager has been with the company for 20 years. Mr. Shramek is one of the organizers of the Binder Club, an organization of the younger executives in the insurance field. In 1938 he was president.



W. H. Menn of Los Angeles, president of National Association of Insurance Agents, and Mrs. Menn before camera at party at Surf Club at Miami Beach given by Sertel-Reducka agency, Miami.

Much Interest in Countersignature

(CONTINUED FROM PAGE 5)

important spokesman for the group had expressed the opinion that the fire companies would be in accord with the proposal. Mr. Bennett gave it as his opinion that there will eventually be an agreement on the subject. The task is not completed yet but he hopes the committee can get out its recommendation in due season. The main question for discussion is the commission issue. All members seem to agree that a salaried employee should not be licensed.

W. O. Wilson, Richmond, Va., urged that no definite action be taken until the Virginia litigation is settled. The casualty companies are contesting the constitutionality of its law which prohibits salaried employees from countersigning policies. The Virginia agents, he said, are putting up a considerable sum to defend the law.

W. P. Welsh Sounds Warning

W. P. Welsh, Kansas City, expressed the hope that states with restrictive laws would agree with what the majority recommends. He deprecates state barriers. Restrictive laws, he declared, can not live nor can agents live under them without imperiling the entire agency structure. The free flow of insurance, he added, should not be retarded. If a state can by statute decide the commission an outside agent should pay a resident agent then by the same token it can fix the compensation for agents within its own confines.

If these anticipated state barriers become too onerous and unjust as the trend is now, then he added, there will be no alternative but that the federal government intervene and that may mean federal control of insurance.

T. F. Southgate, Durham, N. C., raised the question as to how far the committee intended to impose its recommendations on the states. President W. H. Menn explained they could only be advisory but put forth with the hope that they would be adopted by the legislatures.

G. W. Carter, Detroit, expressed the view that the association in dealing with the companies should have a definite program. If, for example, the agents demand that salaried employees be prohibited from signing policies, will the companies not desire that extreme pressure be used to have these artificial state barriers removed?

Mr. Southgate maintained that the states should not be molested and put the blunt question to President Menn if the executive committee expects to enter into any agreement with the companies as to the compensation to be paid for countersignature for an outside agent. Mr. Menn replied: "It is not the intention of the committee to do so."

Virginia and Louisiana

In Virginia and Louisiana the license and countersignature provisions are in one law. In the conference of central western agents, presided over by Mr. Carter, it was held that these are really separate functions and by statute should be divided. In both states where litigation is started, it is provided that no salaried employee can sign a policy and then a definite provision is made for division of commission where an outside agent places business with a resident agent. Thus most agents desire the first provision but many question the last.

Mr. Carter in his talk stressed the point that companies depending on agents operating on a commission basis should protect them and they only should countersign policies, but he insisted on respect for private contract, where they countersign policies for non-resident agents. The state, he said, should not try to impair it by fixing the commission.

These restrictions become too severe



CAUGHT BY THE CAMERA AT FLORIDA MEETING OF NATIONAL AGENTS ASSOCIATION:

(Top)—E. J. Savage, superintendent of agents Zurich; David Bronson, Terre Haute, Ind. (Bottom)—J. C. McKay, Tampa; Walter Meiss, executive general agent London Assurance; M. W. Sykes, Monroe, La.

and create solid walls around states which finally, he continued, would be their undoing. Mr. Carter declared that inequalities should be adjusted. No state should set up a fixed stipend which immediately becomes a pattern for other states.

In the discussion it was brought out that most of the countersigning for outside agents relates to casualty and surety. It was stated that 90 percent of the casualty companies will agree to restrict countersignature to commission agents, but the 10 percent group comprises some powerful companies that insist on salaried employees signing. It was agreed so far, at least, as this conference was concerned, that the National Association of Insurance Agents should not espouse any commission division. The amount should be left to the two agents and should be based on the earned service the countersigning agent performs.

Mr. Carter was asked as to the ethics of an agent of a company in a group which has only agents in a few larger cities signing policies on business in other points where the parent company or its more important affiliates have agents. It was claimed this is obviously overhead writing. Mr. Carter acknowledged that this is a condition for which no remedy has been found.

Casualty Engineers Meet April 14

The Casualty Engineers Association of Chicago will meet on April 14 at 6 p. m. in the Midland Club to hear the last of a series of lectures on occupational disease. Dr. M. H. Kronenberg, chief Illinois division of industrial hygiene and K. M. Morse, industrial engineer of the division, will speak.

The Ohio Safety Congress will be held in Columbus April 18-20. R. E. Verner, Western Actuarial Bureau, Chicago, is one of the speakers.

Colo. Quiz Reveals Shady Deals

(CONTINUED FROM PAGE 19)

said, is Wesley A. Peterson of Denver, who is now under indictment on a charge of using the mails to defraud.

"Peterson," Kline said, "was also an officer in Compensation Underwriters and was cut in on the 26 percent."

Voted Against the Scheme

J. C. Colman, who testified he became interested in International in its early history and was once a director of the company, said he voted against the proposal to pay the 26 percent. "We had been advised by J. Glenn Donaldson, an assistant attorney general, the plan was illegal and smacked of collusion," Colman testified. Further testimony showed that the 26 percent contract was in effect until March 15, 1939, when Commissioner Jackson Cochrane resigned.

Helen Jean Malone, former stenographer for the company, testified that the \$10,000 worth of bonds bought in March, 1938, were credited to assets as of Dec. 1937.

At the second session it was charged that an officer of International flew between Denver and Santa Fe, N. M., carrying securities which were shown one day as assets of International and then taken back to Santa Fe and posted as assets of a third allied company, Pioneer Mutual. This charge was made during the questioning by Kline of E. W. Shaw, former general manager of Compensation Underwriters.

Same Deal in New Mexico

The fact was also brought out in Shaw's testimony another company under the name of Compensation Underwriters, was organized in New Mexico

which had the same kind of a contract with Pioneer Mutual as did the Compensation Underwriters in Colorado with International.

This hearing was broken up suddenly during testimony by Frank Orrechio, president of International, when an attorney shouted at Chairman Kline of the investigation committee and a stenographer fainted. When Attorney A. X. Erickson, representing Orrechio, jumped to his feet and objected to the manner in which Kline was questioning his client, the committee chairman first ordered the sergeant at arms to remove the lawyer and then abruptly adjourned the hearing until the next day.

Orrechio testified that 90 days after becoming president of International in June, 1937, he learned of the 26 percent contract and took immediate steps to have it broken. He testified it was broken in November, 1938, and reinstated shortly afterward when Simpson told the board of directors of International that he had full control of Compensation Underwriters.

In a later hearing, Peterson admitted that he had withheld from the industrial commission, in its independent investigation last year, the fact that he was getting \$200 a month as secretary and attorney for International and at the same time owned one-third of the stock in Compensation Underwriters. "I wasn't under oath and it wasn't any of their business whether I was connected with another company," Peterson testified.

The house empowered the special committee to extend its investigation to mutual benefit companies, which are now under the supervision of the state building and loan department.

Mutual Men Oppose Surplus Limit Bill in Massachusetts

BOSTON—The bill of the Service Men's Protective Association, which will limit the surplus of mutual casualty companies to 25 percent of their annual gross premium income "less all premiums returned or credited to policyholders for the preceding five years," defeated last year in the Massachusetts legislature, was strongly opposed by mutual company representatives before the insurance committee of the legislature.

Leslie P. Hemry, counsel American Mutual Liability, declared the bill should be called an "agents' monopoly bill," as it tended to create a monopoly for agents and brokers, who were jealous of the small 25 percent of the business which was going to the two direct writers well known as the target of the bill. Mr. Hemry said the strict application of the bill would make any company insolvent.

Felix Hebert, counsel for the Associated Factory Mutuals, argued that the bill as written would apply to fire companies as well and offered amendments to make it apply only to mutual casualty companies. He stated the bill would make his company insolvent.

George L. Barnes, counsel Mutual Fire Insurance Association of Boston, opposed the measure as it would apply to mutual fire companies. As counsel for the Associated Industries of Massachusetts he opposed the bill on the ground that the effect of the bill would be to wreck the financial condition of the large mutual casualty companies.

Commissioner Harrington's bill providing that the contingent liability of policyholders in mutual casualty companies be increased to five times a single premium has been given leave to withdraw by the Massachusetts legislative committee on insurance without a public hearing.

Employees of fire and casualty offices in Los Angeles formed a softball league including U. S. Fidelity & Guaranty, Pacific Indemnity, Pacific Employers, Fireman's Fund group, North America group, Royal-Liverpool group, Pacific Board and Firemen's group.

CASUALTY NET PREMIUMS AND PAID LOSSES IN 1938 IN MISSOURI

	Total Premiums \$	Total Losses \$	Auto. Liab. Premiums \$	Auto. Liab. Losses \$	Other Liab. Premiums \$	Other Liab. Losses \$	Work. Comp. Premiums \$	Work. Comp. Losses \$	Fidelity-Surety Premiums \$	Fidelity-Surety Losses \$	Plate Glass Premiums \$	Plate Glass Losses \$	Burglary-Theft Premiums \$	Burglary-Theft Losses \$	Prop. D. & Coll. Premiums \$	Prop. D. & Coll. Losses \$
Accident and Cas.	267		35										225		7	
Aetna Cas.	680,954	215,096	191,195	77,062	117,764	24,565	155,285	68,563	117,868	15,604	10,449	7,784	33,914	5,367	42,168	17,384
Aetna Life	221,411	100,267	324	475	2,149	2,541	647	2,963								
Allied Mutual	87,325	35,582	—3,418	3,987	—218	130			41,881	7,005	28,692	18,732	25,886	4,683	—2,997	255
Allstate	53,351	14,722	43,940	12,185											9,411	2,537
American Auto	1,202,414	531,799	973,572	421,070			27,102	20,480							201,740	90,249
Amer. Employ.	9,265	5,219	3,083	865	831	1,849	2,215	2,306	2,240	26			281		810	173
Amer. Fid. & Cas.	155,285	114,533	126,753	87,255											28,532	27,378
Amer. Indem.	104,728	36,475	62,908	21,131											26,834	10,211
Amer. Motor, Ill.	78,618	53,476	68,526	40,194	761	2,250	5,032	3,077	187		276	67			13,769	7,888
Amer. Mut. Liab.	692,985	374,724	62,683	19,979	62,928	27,543	541,889	293,093	3,178	283	560	169	913		20,834	33,667
Amer. Reins.	38,736	41,081	4,838		5,424	33,163	8,325	55	18,176	2,915			1,609	3,002	341	
Amer. Surety	231,493	69,716	26,965	15,040	32,456	19,219	14,558	7,859	128,618	20,880	4,096	1,960	18,460	2,392	6,340	2,386
Associated Indem.	46,031	42,299	6,867	20,393	4,946	1,368	28,344	15,292	60	30	1,370	467	105	204	4,027	8,814
Atlantic Ins.	39,137	7,363	29,121	3,600	129						3,871	1,090			7,025	2,673
Bankers Indem.	183,262	74,680	33,997	19,708	61,346	26,293	65,896	23,477			2,242	881	11,197	873	7,666	3,371
Bituminous Cas. Corp.	206,760	126,854			27,273	17,132	176,993	109,354							2,494	388
Car & General	73,404	5,406	54,682	3,600	2,891	127	1,957	21			365	11	841		12,668	1,647
Cas. Indem. Exch.	29,325	6,069			29,325	6,069										
Cas. Recl. Exch.	416,138	214,353	208,799	101,724	26,752	13,412	103,037	63,772			623	105			73,307	30,521
Central Mut. Cas.	200,166	99,916	102,413	49,596											44,739	24,496
Central Surety	622,457	185,337	292,661	71,967	84,347	21,156	114,421	45,257	125,294	19,259	18,114	5,735	22,142	4,022	64,723	17,372
Century Indem.	52,553	13,739	14,779	697	10,443	2,614	17,539	8,442	1,736	511	1,093	606	3,266	649	3,389	320
Columbia Cas.	63,328	34,682	3,462	572	18,286	1,363	13,380	17,587	10,657	8,335	1,307	662	4,513	1,507	1,380	137
Commercial Cas.	74,649	29,707	12,942	2,298	11,821	5,832	1,159	639	7,554	2,611	3,470	2,429	6,749	1,141	2,504	530
Commercial Standard	216,511	68,491	144,520	39,448	7,677	2,130	17,389	11,176			2,216	1,374	2,308	229	42,319	14,032
Consolidated Und.	1,077,463	534,933	283,188	174,357	83,450	35,964	561,024	273,837							102,424	36,105
Continental Cas.	474,251	237,214	45,477	20,111	33,937	16,448	45,389	18,366	30,933	3,900	3,522	590	8,232	3,304	10,477	2,904
Coop. Cas. Mo.	34,231	6,126	26,299	2,710									301		6,698	3,301
Eagle Indem.	47,507	24,878	12,291	4,749	13,793	6,200	10,502	8,482	2,603	2,026	986	667	1,837	1,471	3,212	934
Employ. Cas.	146,548	97,884	86,547	61,589	15,957	15,314	10,926	5,730			7,481	3,271	1,346	106	23,958	11,678
Employ. Liab.	287,001	164,533	33,651	30,164	74,435	27,655	137,601	96,360	6,899	376	4,390	716	12,583	1,595	8,920	3,598
Employ. Mut. Cas.	7,772	3,720	1,994	3,349	2,073		2,557								737	102
Employ. Mut. Liab.	528,715	244,002	113,849	37,599	65,904	11,522	311,448	184,447	1,336	83	1,061	264	467	310	34,650	9,777
Employ. Reins.	392,057	86,136	222,628	82,865	37,513	19,158	3,824	25,907	—10,490	128			38,671	3,092	21,622	1,640
Equity Mut.	254,882	124,844	120,547	70,610	14,436	4,401	57,118	25,175	947		1,890	968			69,944	23,692
Excess of Amer.	10,544	8,108	2,732	8,025	3,256				3,639	14			30	69	885	
Factory Mut. Liab.	5,403	830	4,180												1,223	829
Farmers Auto., Cal.	164,654	73,450	82,080	38,326											52,367	25,865
Fidelity & Cas.	718,451	285,497	165,766	77,445	135,017	48,943	175,979	104,112	97,967	2,763	22,734	8,114	39,817	6,739	39,003	16,835
Fidelity & Deposit	425,469	68,055							402,097	61,420	1,406	478	21,968	6,157		
Fireman's Fund Ind.	106,317	57,996	22,407	20,175	26,960	14,789	42,340	15,422	2,050	87	1,137	433	3,642	3,241	5,301	2,699
Gen'l Acc'l. P. & L.	264,441	117,185	69,476	42,586	85,574	30,018	66,644	18,164			11,352	4,676	13,707	3,548	15,277	6,173
Gen'l Indem. Exch.	85,503	31,074	42,791	15,645	10,694	1,849	14,593	7,502							14,852	5,313
Gen'l Reins.	97,596	24,696	20,987	1,250	13,573		11,123	6,954	32,798	5,184	134		5,708	3,592	946	2,691
Glens Falls Indem.	46,322	17,765	8,316	2,688	15,285	3,390	7,894	2,569	3,199	5,175	3,262	1,624	2,499	512	2,270	599
Globe Indem.	228,038	143,052	65,659	35,394	48,154	42,911	47,991	33,994	30,591	15,185	3,965	2,411	8,823	2,109	16,677	9,734
Great Amer. Indem.	154,034	81,011	21,855	18,409	44,082	14,876	45,264	31,663	16,053	3,258	3,795	2,136	10,649	4,710	5,584	3,065
Guar. of No. Amer.	2,885	—202							2,885	—202						
Hdwe. Mut. Cas.	271,821	99,976	138,386	42,069	23,446	3,375	67,988	33,604			8,933	2,667	6,354	1,923	38,216	16,338
Hartford Acc'l.	1,412,445	474,821	223,612	86,990	277,166	71,321	584,603	233,828	124,500	15,958	17,221	5,625	66,134	10,840	61,459	25,001
Home Indem.	34,475	8,124	21,394	7,066	2,194	100			1,317		2,214	126	2,943	103	4,414	719
Illinois Cas.	4,652	3,816													8	
Indem. of No. Amer.	80,808	16,243	21,667	4,741	13,025	2,680	15,122	6,367	10,156	—3,216	3,028	1,454	6,801	1,402	4,961	1,486
Inland Bonding	2,333								2,333							
Int. Ex. A. Club, Mo.	674,261	244,835	410,857	161,070											164,760	63,029
Iowa Mut. Liab.	3,253	1,407			292		639	26							668	68
Liberty Mut., Mass.	876,827	429,660	96,868	55,304	120,307	43,825	604,356	303,231	14,019	11,619	325	672	4,298	1,203	35,270	13,717
London Guar.	134,124	77,943	20,112	18,407	22,263	4,706	38,799	29,942		73	5,301	1,151	5,723	610	4,194	1,511
London & Lanc.	29,641	20,638	4,991	13,982	9,457	1,979	5,403	1,928	2,689	39	429	111	3,272	1,862	1,362	68
Libman's Mut. Cas.	314,404	120,457	136,518	49,256	32,470	9,606	105,087	48,552	901		2,303	1,116	2,766	618	29,326	10,907
Manh. Mut. Ab. Cas.	16,844	9,378	13,756	8,906											3,288	472
Manufacturers Cas.	139,176	41,796	84,010	18,754	4,191	1,096	26,033	10,365			1,619	1,280	4,079	237	19,244	10,064
Mfrs. & Whls Ind.	34,574	11,798	23,464	5,539											7,123	4,505
Maryland Cas.	993,817	428,309	207,025	136,599	166,732	68,942	249,622	146,531	149,583	15,647	17,430	6,090	63,162	6,668	47,864	20,164
Mass. Bonding	519,649	179,186	110,029	44,112	102,621	46,852	65,226	39,088	128,385	11,794	14,758	6,458	21,180	6,262	26,824	9,579
Medical Prot.	40,948	34,021			40,948	34,021										
Metropolitan Cas.	68,173	23,239	19,525	4,438	16,313	4,821	160	2,613	1,885	465	2,746	774	3,098	254	3,820	381
Missouri Cas.	39,812	13,626	23,301	10,523											13,014	2,277
Natl' Cas. Mich.	115,051	49,419	4,766	1,478	4,211	5,820	2,841	1,058	3,528	427	412	125	695	1,019	1,280	378
Natl. Indem. Exch.	13,329	5,876	2,943	830							67	43	7,429	4,595	721	388
Natl' Surety, N. Y.	281,830	47,629							202,301	22,319	5,016	2,674	74,513	22,636		
New Amsterdam Cas.	74,994	35,687	4,079	2,423	8,295	16,297	6,959	9,456	45,860	565	361	583	1,653	687	1,248	723
New Century Cas.	3,077	3,831							3,077	3,831						
New York Cas.	42,537	10,711	6,000	3,690	6,216	413	3,695	1,723	17,863	2,256	3,540	1,488	4,161	458	1,062	683
Northwest Cas.	40,144	17,186	26,926	10,298	1,925						145	4	452	3	8,841	5,415
Norwich Union	1,053	71	284		396			71					92		112	
Ocean Acc'l. & Guar.	504,379	225,202	42,729	23,423	107,253	31,722	177,256	93,154	48,100	32,765	8,234	3,077	23,446	5,349	10,816	3,471
Ohio Cas.	101,386	33,506	58,639	17,226	17,330	9,535			6,307</							

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem. \$	Losses	Prem. \$	Losses	Prem. \$	Losses	Prem. \$	Losses	Prem. \$	Losses	Prem. \$	Losses	Prem. \$	Losses	Prem. \$	Losses
State Fm. Mut. Auto.	828,762	379,665	403,032	180,768	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	335,884	164,002
Sun Indem.	10,942	8,332	5,880	5,747	84	660	530	1,409	39	28	141	66	506	1,030	1,786	875
Travelers	1,089,182	649,312	189,679	175,831	162,544	77,471	429,138	241,971	.....	.....	.....	.....	.....	.....	.....	.....
Travelers Indem.	308,732	64,986	46,596	2,293	55,857	12,391	47,966	1,919	.....	.....	18,221	7,777	58,799	8,380	60,224	28,342
Travelers Mut. Cas.	71,867	17,980	46,715	10,063	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	19,202	6,609
Trinity Universal	11,332	22,160	69	21,436	355	6,072	.....	.....	10,817	—5,827	49	96	28	.....	14	433
Un. Auto. In.	7,706	2,169	5,204	1,340	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,965	796
U. S. Casualty	198,258	85,974	44,318	17,381	56,076	20,970	58,494	35,101	2,828	60	6,879	3,726	12,222	3,174	9,951	4,974
U. S. F. & G.	637,830	184,931	80,491	11,712	182,108	42,428	126,544	51,841	163,132	56,580	12,167	3,381	32,768	6,521	21,818	7,650
U. S. Guar.	196,715	53,244	68,144	27,045	58,709	10,146	11,022	761	30,950	358	6,434	2,265	6,829	5,878	14,218	6,791
Utilities Ins. Co.	271,987	186,589	154,471	103,302	23,107	15,017	49,672	33,799	.....	.....	.....	.....	.....	.....	42,084	32,772
Western Cas. & Sur.	672,428	303,742	308,341	141,049	95,841	27,755	81,419	54,874	83,227	35,197	14,716	6,247	10,522	3,942	78,362	34,678
Western Surety, S. D.	1,353	.....	.....	.....	.....	.....	.....	.....	1,353	.....	.....	.....	.....	.....	.....	.....
Yorkshire	37,002	22,047	12,047	678	.....	.....	.....	.....	4,190	678	1,132	1,227	980	15	5,939	3,966
Zurich	374,739	182,256	54,778	28,790	47,715	13,250	152,751	63,445	.....	.....	392	.....	.....	3,120	18,529	13,172
Total, 1938	28,627,796*	12,496,387*	7,100,233	3,311,318	3,095,070	1,136,612	6,095,417	3,140,752	2,347,234	351,555	363,733	159,942	768,683	172,507	2,234,398	1,091,479
Total, 1937	29,934,384	13,183,459	7,171,460	3,228,215	3,112,996	1,112,135	7,085,959	3,422,986	2,323,489	522,144	373,316	168,270	773,965	145,712	2,181,131	932,722

*Totals include classes shown in following tables and auto fire, theft, etc., of full cover writers.

Other Classes of Casualty Business in MISSOURI in 1938

ACCIDENT AND HEALTH		Prem.	Losses
Aetna Cas. & Sur.	.....	6	.....
Aetna Life	218,291	.....	94,288
Amer. Employ.	49	.....	.....
Amer. Motorists	99	.....	.....
Amer. Reins.	29	.....	1,945
Amer. Sav. Life	78,368	.....	44,939
Bankers Indem., N. J.	918	.....	77
Ben. Ry. Employ.	132,560	.....	81,662
Business Men's Assur.	142,544	.....	79,292
Central Catholic Cas.	9,816	.....	3,605
Central Surety	755	.....	569
Century Indem.	608	.....	.....
Colorado Life	.....	.....	.....
Columbia Cas.	7,446	.....	2,797
Columbia Nat'l	80,391	.....	44,330
Commercial Cas.	28,146	.....	14,057
Commonwealth L. & A.	26,929	.....	4,576
Cosmopolitan L. H. & A.	68,214	.....	15,792
Conn. General	49,931	.....	25,994
Cont. Assur.	3,803	.....	416
Cont. Cas.	293,828	.....	170,077
Eagle Indem.	1,618	.....	349
Employ. Cas., Tex.	304	.....	193
Employ. Liab.	1,929	.....	3,555
Employ. Mut. Ben., Minn.	507	.....	455
Employ. Reins.	20,411	.....	5,207
Equit. Life, N. Y.	134,325	.....	95,215
Excess	2	.....	.....
Farm. Au. Inter-Ins. Ex.	690	.....	75
Federal Life, Ill.	56,237	.....	42,587
Federal L. & C.	34,727	.....	10,195
Fidelity & Cas.	17,067	.....	18,067
Fidelity H. & A.	28,154	.....	11,586
Fireman's Fund	2,840	.....	1,150
General Acci. F. & L.	22,399	.....	12,020
General Amer. Life	116,389	.....	113,644
General Reins.	10,861	.....	5,025
Glens Falls	3,470	.....	1,208
Globe Indem.	5,137	.....	1,324
Globe Mut.	.....	.....	.....
Gr. Amer. Indem.	6,752	.....	2,894
Great Northern Life	68,013	.....	26,565
Hartford Acci.	57,750	.....	46,868
Home Indem.	1	.....	.....
Ill. Bankers Life	62,108	.....	21,230
Ill. Mut. Cas.	965	.....	237
Indem. of No. Amer.	5,610	.....	1,157
Inter-Ocean Cas.	7,879	.....	2,205
Inter-State Bus. Men's	22,372	.....	15,154
John Hancock Mut. Life	10,280	.....	3,934
Liberty Mut.	1,374	.....	91
Life & Cas.	46,472	.....	12,374
London & Lanc.	2,038	.....	709
Lumber Mut. Cas.	1,315	.....	270
London Guar.	6,277	.....	4,203
Maryland Cas.	61,328	.....	22,909
Mass. Bonding	50,626	.....	15,011
Mass. Indem.	19,182	.....	2,020
Mass. Protect.	234,692	.....	132,050
Metropolitan Cas.	20,578	.....	9,915
Metropolitan Life	580,469	.....	309,553
Missouri Ins.	388,906	.....	153,460
Monarch Life	67,266	.....	29,049
Mut. Ben. H. & A.	466,380	.....	243,303
National A. & H.	5,097	.....	1,962
National Cas.	97,318	.....	39,114
National L. & A.	255,943	.....	111,953
National Protect. Ins.	79,795	.....	24,349
New Amsterdam	6,539	.....	4,973
No. Amer. Acci.	71,305	.....	37,008
Northern Life, Wash.	1,123	.....	.....
Norwich Union	102	.....	150
Occidental Life	506	.....	29,775
Ocean Acci.	68,993	.....	3
Ohio Cas.	402	.....	105
Ohio State Life	153,701	.....	181,676
Pacific Mut. Life	46,321	.....	27,164
Paul Revere Life	320	.....	77
Phoenix Indem.	20,695	.....	6,730
Postal Life & Cas.	5,751	.....	368
Preferred Acci.	116,293	.....	54,306
Prov. L. & A.	79,559	.....	22,397
Pyramid Life	179	.....	100
Reliable L. & A.	252,488	.....	109,451
Reliance Life	6,903	.....	1,169
Reserve Mut. Cas.	5,319	.....	1,816
Royal Indem.	3,540	.....	984
St. Paul Mer. Indem.	216	.....	49
Security Mut. Cas.	37	.....	.....
Standard Acci.	9,041	.....	4,009
Standard Sur. & Cas.	51	.....	75
State Farm Life	3,056	.....	1,206
Sun Indem.	1,976	.....	517
Travelers	307,821	.....	154,039
Travelers Mut. Cas.	5	.....	17
United Ben. Life	3,353	.....	1,633
Universal Life	44,628	.....	11,782
U. S. Cas.	7,490	.....	1,188
U. S. F. & G.	18,166	.....	4,520
U. S. Guar.	409	.....	.....
Washington Nat'l	276,213	.....	125,512
Woodmen Acci.	38,116	.....	24,680

Woodmen Cent'l Health.	Prem.	Losses
Zurich	97,454	63,557
Total, 1938	\$5,890,526	\$3,011,034
Total, 1937	5,873,352	3,190,701

SPRINKLER LEAKAGE AND WATER DAMAGE		Prem.	Losses
Commercial Cas.	.....	204	170
Indem. of No. Amer.	.....	436	172
London Guar. & Acc.	.....	352	152
Maryland Cas.	.....	2,244	1,139
Metropolitan Cas.	.....	48	.....
U. S. F. & G.	.....	636	298
Total, 1938	.....	3,820	1,931
Total, 1937	.....	14,205	3,654

STEAM BOILER, ENGINE & MACHINERY		Prem.	Losses
Aetna Cas.	.....	428	17
Amer. Employ.	.....	245	.....
Amer. Reins.	.....	6	.....
Columbia Cas.	.....	2,895	1,222
Cont. Cas.	.....	2,466	14
Eagle Indem.	.....	666	.....
Employ. Liab.	.....	6,593	514
Fidelity & Cas.	.....	15,475	2,477
General Acci. F. & L.	.....	16	.....
General Reins.	.....	1,466	.....
Globe Indem.	.....	1,041	.....
Hartford St. B.	.....	142,822	8,689
London Guar.	.....	720	490
Lumbermen's Mut. Cas.	.....	3,718	22
Maryland Cas.	.....	28,827	2,652
Mutual Boiler	.....	16,439	.....
Norwich Union	.....	62	.....
Ocean Accident	.....	17,552	2,466
Phoenix Indem.	.....	52	.....
Royal Indem.	.....	5,201	85
Security Mut. Cas.	.....	113	.....
Travelers Indem.	.....	21,070	3,884
Total, 1938	.....	267,856	22,594
Total, 1937	.....	273,401	70,496

CREDIT		Prem.	Losses
Amer. Cred. Indem.	.....	66,036	82,185
Employers Reins.	.....	6,019	.....
London Guar.	.....	30,483	16,698
National Surety Corp.	.....	.....	.....
Total, 1938	.....	102,538	98,883
Total, 1937	.....	141,533	24,661

LIVE STOCK		Prem.	Losses
Hartford L. S.	.....	15,112	15,661
Total, 1938	.....	15,112	15,661
Total, 1937	.....	16,037	8,291

PERSONALS

In referring to the fact that **Dexter M. Ferry** was guest of honor at the 100th anniversary celebration of the Detroit Boat Club, the erroneous and regrettable impression was given that Mr. Ferry is the retired chairman of Standard Accident and that his son is now chairman. Mr. Ferry, who was honored on this occasion, is the present chairman of Standard Accident. His father, Dexter M. Ferry, Sr., died several years ago and it is Dexter M. Ferry, Jr., who is now chairman of the board.

Employees of Globe Indemnity tendered **A. Duncan Reid**, the retiring president, a testimonial dinner Tuesday evening of this week. About 600 attended. Emil Schietlin, Globe Indemnity treasurer, was chairman of the arrangements committee. He served as toastmaster. Talks were made by Kenneth Spencer, the new president of the Globe, and Harold Warner, U. S. manager of Royal-Liverpool.

President Kenneth Spencer presented Mrs. Reid with a 138 piece set of crystal ware. The gift to Mr. Reid was a motion picture projector and screen.

Life Agents' Use of Autos Creates Possible Liability

There appears to be considerable chance for life insurance companies to be held liable for automobile accidents of industrial agents on the debit, but comparatively little chance in the case of ordinary soliciting agents. This was the conclusion of Owen Rall, of the Chicago law firm of Eckert & Peterson, in an address before the Chicago Life Insurance Lawyers Club entitled "Liability of Insurance Companies for the Automobile Torts of Their Agents." The terms of the agent's contract appear to be the most important consideration, Mr. Rall declared.

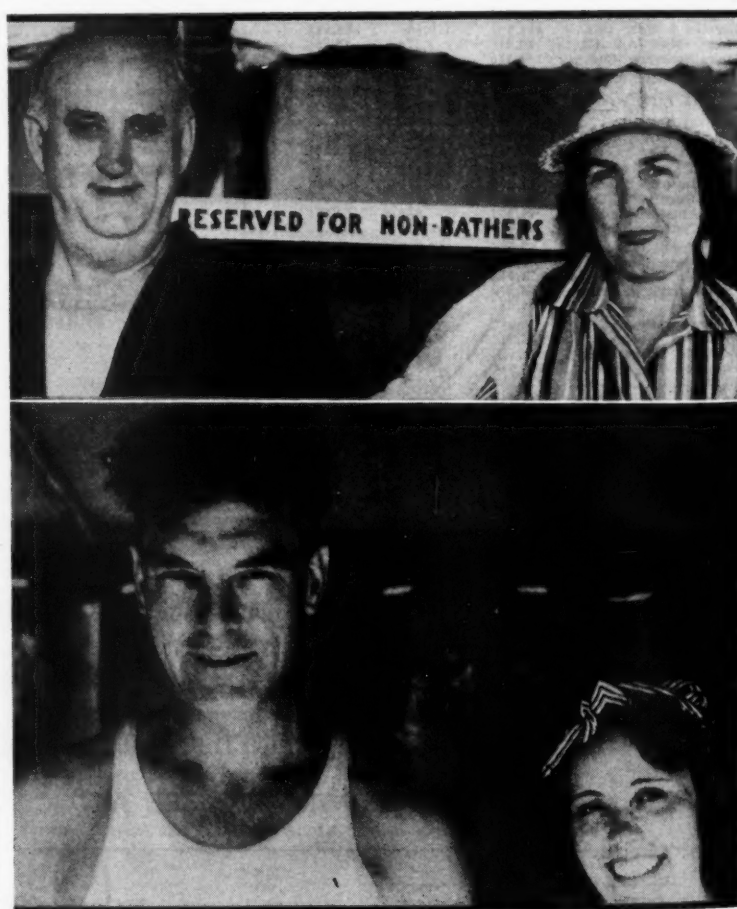
Pointing out the growth of the doctrine that a principal or employer is liable for accidents of an employee or agent using his own automobile in business, Mr. Rall indicated that a reaction from extremes in holding the principal liable appears to have started. A number of recent cases have held the plaintiff to strict proof that the driver's ac-

tions were under the direct control of the employer and many courts are now holding that incidental operation of an automobile does not make the principal liable, in the absence of a high degree of control. He predicted a further tendency toward individual responsibility.

To avoid liability, Mr. Rall suggested inserting a clause in agents' contracts that nothing therein should give the company any interest in, responsibility for, control over or obligation to pay the traveling, automobile or transportation expenses of the agent. This could be upset by proof that the company actually had controlled the agent, but in actual practice Mr. Rall thought that this would be very difficult because insurance companies usually do not exercise a high degree of actual control over their agents' movements.

There are no Illinois cases involving life insurance companies, Mr. Rall concluded, but cases involving similar facts indicate that the Illinois courts are in line with these ideas.

W. J. Gosline, 70, for many years with the Employers Liability in Baltimore, but who had retired several years ago, died at his home there.



INSURANCE ATHLETES AT LOCAL AGENTS RALLY IN FLORIDA

(Top)—Ray Murphy, assistant manager Association of Casualty & Surety Executives; Mrs. Murphy; (Bottom)—F. C. McVicar, secretary Hartford Accident; Mrs. McVicar.



HARRY'S chemist made a mistake. It was bad enough for headlines to tell of people taken sick after using Harry's product. But claims totaled enough to face Harry with financial embarrassment. The U. S. F. & G. settled those claims fairly—and Harry's Company is sound as a dollar—thanks to a "friendly word" from you. "Harry," you'd said, "you're pretty careful, but suppose something went wrong? You'd have to pay a lot of claims. You should have Product Public Liability Insurance."

Many manufacturers do not realize the legal re-

sponsibility which exists when they manufacture and sell a product. Whether it be medicines, foodstuffs, machinery, toys, or anything else which can cause personal injury or property damage; liability exists. That's why you should say a "friendly word" of advice about Products Public Liability, whenever the opportunity presents itself.

Here at the U. S. F. & G. we must rely on *you* to solve the casualty, fidelity and surety problems of your prospects and policyholders. To help you do this, we support your efforts with a record for prompt and fair settlement of claims. There's a real thrill in knowing that your customers are *completely covered*—protected against any contingency which might arise to affect their business or personal lives.



U. S. F. & G.

UNITED STATES FIDELITY AND GUARANTY COMPANY

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"Consult your Agent or Broker as you would your Doctor or Lawyer"

U. S. F. & G. Educational Rallies on Pacific Coast

The U. S. F. & G. and Fidelity & Guaranty Fire are holding educational meetings in San Francisco April 13-14 and in Los Angeles, April 17-18. Vice-President E. C. Porter is host in San Francisco and Manager H. C. Gillespie in Los Angeles. Home office speakers will include R. H. Bland, board chairman; C. J. Fitzpatrick, secretary; Philip F. Lee, vice-president and agency director; O. R. Leeds and J. Dillard Hall, assistant agency directors, U. S. F. & G.; F. A. Gantert, president, and F. Ogden, vice-president Fidelity & Guaranty Fire. In San Francisco, Commissioner Goodcell of California will speak and at the Los Angeles function, William H. Menn, president of the National Association of Insurance Agents.

A similar meeting was held in Portland, Ore., April 10-11, in charge of Manager M. K. Spratt.

Danger in California Bill

LOS ANGELES — Notification was given the Surety Underwriters Association of Southern California, at its meeting here that the surplus line brokers agreement has been signed and is now

in force. The association discussed the matter of premiums on sales tax bonds.

N. E. Anderson was selected to go to Sacramento and consult with other insurance interests on the dangers of Senate Bill 1096, which would change the present laws relating to corporate sureties, so that the surety would have no remedy against the principals, as heretofore, unless it is written specifically into the contract. Another phase of the bill which the surety underwriters consider dangerous is that it would permit the obligee to change the time and the amount of the contract without the surety's consent but the surety remains liable under the change, on which it has no say.

Hope for Bar-Adjuster Treaty

LOS ANGELES—Alex Davis of Los Angeles, chairman of the California state bar committee which is negotiating for a treaty with insurance companies, railroads and adjusters on the moot question of illegal practice of law, announces his committee will hold a meeting in San Francisco the first week in May, at which time it is hoped to arrive at some definite conclusion.

Judge W. H. McNaugher of the Alameda county court of common pleas

spoke on pre-trial conciliation in claims cases at the meeting of the Pittsburgh Casualty Claims Association.

Standard Accident's Sales Aid

The fourth in its series of "Business Building Portfolios" is now being mailed to agents of Standard Accident. These portfolios have been acclaimed.

The current portfolio has to do with fidelity and surety. It contains complete plans and outlines for securing fidelity and surety coverages as well as the means with which to go after this business such as attractive blotters and leaflets, persuasive sales letters, newspaper copy suggestions and other promotion aids. All of this material is contained in a folder which is indexed and can be filed for ready reference. When the series is completed every Standard agent will have a complete advertising and sales promotion file available on casualty and bonding coverages.

P. H. Marron, home office claim examiner of the Bankers Indemnity, died in the Hackensack Hospital. Before joining the Bankers, he had been at various times with the New Jersey Manufacturers Casualty, New York Indemnity and Commercial Casualty.

Former President of Hartford A. & I. Is Dead



J. L. D. KEARNEY

J. L. D. Kearney, who retired as president of Hartford Accident some years ago because of the condition of his health, and who had been ailing since that time, died.

Mr. Kearney was elected president of the International Association of Casualty & Surety Underwriters in 1936. He had served as a member of the executive committee of both the National Bureau of Casualty & Surety Underwriters and Association of Casualty & Surety Executives.

President R. M. Bissell of the Hartford group sent a message to agents, recalling that Mr. Kearney retired from active service about three years ago because of the condition of his health, although his actual resignation did not become effective until February, 1937. Mr. Bissell said that Mr. Kearney's health had grown steadily worse ever since that time. "Recently his illness reached a point which made him totally helpless and, therefore, his death must be looked upon as a merciful release from intolerable conditions."

"Mr. Kearney's genial disposition, his great kindness, his many accomplishments and his numerous and loyal friendship made him especially close to those with whom he was in frequent contact. We regret his loss more than we can say."

Portland Physician Speaks

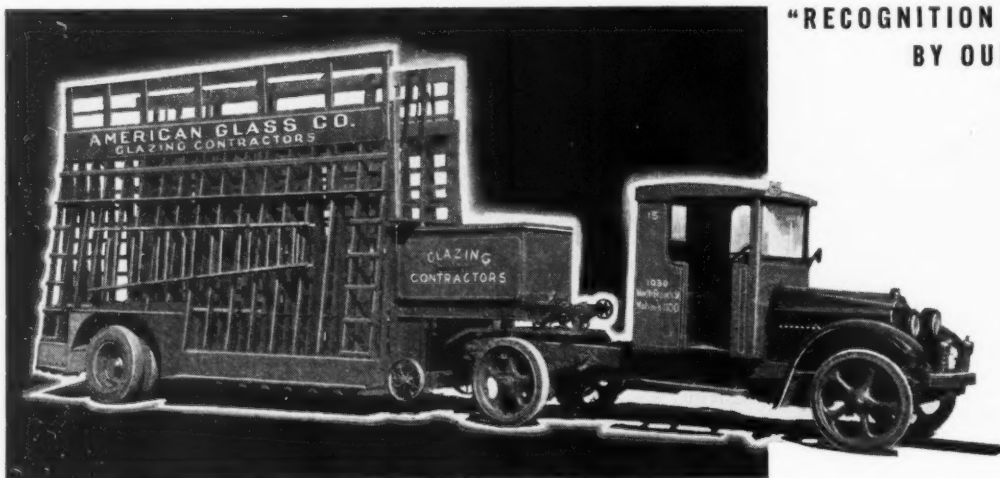
PORTLAND, ORE.—Dr. J. J. Rosenberg, Portland physician, addressed the Oregon Casualty Adjusters Association on "Traumatic Injuries to Pregnant Women." Harry Walwyn, Portland claim manager Northwest Casualty, was chairman.

Bruce Sewell, assistant manager in San Francisco for Zurich, is visiting the United States head office in Chicago for a few days.

Fred Strong, Portland, Ore., local agent, was married to Mrs. Lillian W. Neff, also well-known in insurance circles.

Capital Available

New York Capital available in sizable amounts only for a casualty or life stock company anywhere. Refinancing effected, mergers or new capital secured. Confidential. Bank references exchanged. C. M. Hollinger, 170 Broadway (Cortland 7-0140) New York City.



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LOW BRIDGE

Service, to be reliable, must be complete. The American Glass Company recognizes this fact and it contemplates certain obstacles and difficulties as in any other line of business.

An example: We have had built a special trailer truck so constructed that it will take the largest plate of glass required in any Chicago location. It is designed so that it can pass under low bridges, viaducts, etc., thus avoiding detours and affording greater speed in plate glass replacement. It is the only one of its kind in Chicago.

The complete, reliable and prompt service of the American Glass Company has made it the outstanding plate glass replacement organization in Chicago.

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INSURANCE EXCHANGE - - CHICAGO



BRAVING THE CAMERA AT LOCAL AGENTS NATIONAL MEETING

(Top)—Mrs. B. A. Jochen, New York; Mrs. John Puckette, Louisville, and Master Cleveland Puckette. (Bottom)—J. G. Yost, vice-president Fidelity & Deposit; Mrs. Yost; R. E. Brown, superintendent of agents, American Surety; Floyd Whitney, Atlanta, resident vice-president U. S. Guarantee.

WORKMEN'S COMPENSATION

Safety Work's Value Aptly Demonstrated

NEW YORK—The service rendered by industrial safety engineers of the compensation companies in reducing accident costs in addition to medical and compensation costs, was brought out by Edward R. Granniss, National Conservation Bureau, at the annual convention of the Greater New York Safety Council.

Secondary Cost Is Great

The secondary cost of industrial accidents is approximately four times the combined medical and compensation cost. For example, an electrician fell from a scaffold, breaking his leg, and the medical and compensation cost amounted to \$305. However, the falling scaffold and the cost of hiring extra help during the time the regular electrician was away from the job added another \$940 to the cost of the accident. These added secondary costs should be taken into consideration in estimating amount to be spent on safety work.

Cites U. S. Statistics

The United States bureau of labor statistics shows that \$240,000,000 a year is paid as compensation to injured workers in addition to \$72,000,000 hospital and medical aid. This total of \$312,000,000 is incurred by approximately 2,107,000 compensable injuries or an average of \$148 for each injury.

Legal and administrative costs bring the average cost to \$246. As this is only one-fifth of the cost to the employer, the total cost of each injury is approximately \$1,230. As there is one injury each year for every 10 employees, the expected cost of accidents to employers in the average plant is \$12,300 a year for each 100 employees. A 10 percent reduction would represent an annual saving of about \$1,250 for each

100 employees or 6 percent return on \$20,000.

Florida Revision Proposals

TALLAHASSEE, FLA.—After a series of conferences with the National Council on Compensation Insurance in New York, Ralph Davis, compensation deputy of the Florida department, has returned for the hearing on 1939 rates April 15, called by Commissioner Knott. The carriers will ask that the expense ratio fixed by the commissioner a year ago at 40 be raised to 41 percent. The 1939 rates will be based on experience of 25 months to July 31, 1937, in which period the earned premiums were \$6,660,787, incurred losses \$3,125,710. The whole experience under the law, July 1, 1935, through December, 1938, is reported to show an underwriting profit of \$561,591.

Would Speed Arkansas Operation

LITTLE ROCK, ARK. — Governor Bailey is expected to reach a decision soon on the suggestion that an allotment be made from his emergency fund to permit the workmen's compensation commission to begin work June 8, when the new act will be effective, rather than July 1, when the appropriation for ad-

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EDWARD E. COLLINS, Manager

ministrative expenses will be available. A further alternative would be to permit officers and employees to depend upon the 1941 legislature to appropriate to meet their pay.

Commissioner of Labor McKinney said many employers have asked for information as to the self-insurance feature and also the plan to carry risks with commercial companies.

Kneer Again Utah Chairman

W. M. Kneer, a member of the Utah industrial commission for 22 years, has been reelected chairman. He has been chairman since 1927 and is believed to be the oldest man in point of service in the United States on a state industrial commission.

Can't Deduct Burial Benefits

BOSTON—The Massachusetts legislature has passed a bill, which has been signed by the governor, providing that burial expenses under workmen's compensation awards shall not be deducted from the compensation paid dependents in fatal industrial accident cases.

LEGISLATION

New York—A measure now before the legislature provides that every owner of an auto truck or auto tractor and every owner of a trailer or semi-trailer attached, if separately owned, shall be jointly liable and responsible, etc. The bill also stipulates that all bonds executed by or policies of insurance issued to the owner of an auto truck or auto tractor, or issued to the owner of a trailer or semi-trailer, shall contain a provision for indemnity or security against the liability and responsibility provided in this section.

Kansas — Governor Ratner signed the financial responsibility law which will become effective in Kansas with its publication (about June). One feature of the law not common to other states is that after three years, if the judgment is unpaid, the driver is given the right to apply for a renewal of the license, without giving evidence of financial responsibility.

Texas — The senate passed a bill to permit the Texas Employers to issue policies not entitling the holder to participate in any distribution of surplus.

House bill 95 moved to the senate floor with a favorable committee report on a substitute bill drafted by the senate insurance committee. It regulates reciprocals and inter-insurance exchanges.

The house has passed the senate bill providing for stricter supervision of accident and health associations. One of the main provisions is that all claims must be paid in full. Under present law associations can pay whatever an assessment produces.

Pennsylvania—Benefit increases in the compensation act, as authorized by the 1937 legislature, would be repealed and occupational diseases would be taken out of the compensable group, in a bill by Representative Wilson. It is reported that the measure has the support of the Republican majority in both houses.

Michigan — Bills offered simultaneously in both houses recodify and drastically alter the present workmen's compensation act. House sponsors are Representatives Stanley and Murphy, while the entire Democratic delegation in the senate, headed by Senator Martin, sponsors the senate measure. The bill abolishes the elective feature of the present law, making its provisions mandatory. The measure does not seek to set up a monopolistic fund although it would create a new state compensation fund to replace the present state accident fund. A liberalized benefit schedule is based on half, rather than two-thirds of the average weekly wage. Minimum and maximum limits are \$8 and \$15 for an

employee with one dependent and are increased by 15 percent for each additional dependent up to \$25. The rate for total disability is placed at 70 percent of the average wage with \$10 and \$25 limits and payments would be continued to age 65.

Many casualty companies are reported to be exerting opposition to the Brake bill, reported during the past week from the senate judiciary committee, which amends the compensation law to permit self-insuring employers to apply on any awards to their employees benefits paid under industrial group accident coverage

maintained by such employers. Several companies sell insurance of this type in which employees assign their benefits to the employer who pays the entire premium.

Massachusetts — House rejects bill granting merit rating to fleets of five or more trucks under the automobile liability compulsory law.

Ohio—The automobile casualty anti-discriminatory bill which was passed by the Ohio senate has been sent to the house and it is expected that another bitter fight will be made on the measure there. Certain finance companies and

automobile dealers sought to amend the bill in the senate so as to give finance companies a more liberal rate. The bill requires all insurance companies doing business in the state to file their schedules of rates with the Ohio division of insurance. It in no way fixes rates. A fleet is defined as five automobiles owned by one assured and used primarily in business. The writing of fictitious fleets is illegal. There has been an anti-discriminatory fire insurance law in Ohio for more than 20 years.

The assembly has passed the Pollock hospitalization bill.

"Unforeseen events... need not change and shape the course of man's affairs"



GIVE THEM THE BREAKS...PUT ON THE BRAKES

The outdoor play season for school children is starting. Right now is the time for you to take two steps to insure that none of this year's traffic accidents can be charged to you.

First, drive carefully. There may be times when heedless children will step into your path from between parked cars, when you must stop in a flash to avoid a serious or fatal accident. Even 25 miles an hour may be far too fast for safety in school and residential sections.

Second, be sure that your car is in perfect mechanical condi-

tion, ready to respond instantly to any emergency. Of prime importance are brakes. Perhaps they need tightening, equalizing, or new linings. A few dollars spent on repairs may easily save you a hundred times what it might cost in mental agony and dollars should you be involved in an accident.

Do your part in the cause of safety. Always be on the alert. Give the school girl and boy the breaks... put *on* the brakes! Maryland Casualty Company, Baltimore.

The Maryland writes more than 60 forms of Casualty Insurance and Surety Bonds. Over 10,000 Maryland agents are equipped to help you obtain protection against unforeseen events in business, industry and the home.

THE MARYLAND

SILLIMAN EVANS, Chairman of the Board

EDW. J. BOND, JR., President

This advertisement appears in FORTUNE • NATION'S BUSINESS • TIME and BUSINESS WEEK during the month of April

ACCIDENT AND HEALTH

Clubs Plan A. & H. Week Observances

Local accident and health associations in the large cities as well as many of the smaller communities have arranged special sales congresses and meetings before and during the week of April 24 to publicize Accident & Health Insurance Week.

The Accident & Health Club of New York is taking a leading part in publicizing the week there by arranging a general sales congress just prior to the week followed by a sales breakfast the first part of that week. A producers' banquet will be staged following the week to reward producers taking an active part in the campaign. The special committee in New York in charge of this activity is headed by R. W. Pope, Employers Liability.

In Chicago, A. D. Anderson, president of the local association, has planned to repeat the very successful "start-off" breakfast, which will be held April 24 with a sparkling array of speaking talent.

In St. Louis the annual accident and health sales congress will be held April 25, with L. K. Farrell, assistant secretary Metropolitan Life, making the principal talk. The St. Louis club also plans on some newspaper advertising with special window displays.

Many Congresses, Breakfasts

A. C. Feagan of the Pittsburgh Accident & Health Managers Club has arranged a breakfast meeting for April 24, with several prominent speakers.

The Seattle club under the direction of Lloyd A. Perkins, general agent Pacific Mutual, will broadcast by radio a special program on accident and health insurance at the weekly meeting of the

Seattle chamber of commerce. Window displays are being prepared and advertisements are to appear in local newspapers. An all-state sales congress will be held April 21, featuring Commissioner Sullivan of Washington as the principal speaker.

Strong Card in Philadelphia

In Philadelphia the local Accident & Health Club is sponsoring a luncheon and sales congress April 24.

The speakers in Philadelphia will include Ernest Pomerantz, Sun Life of Canada, a life underwriter who has been highly successful in the sale of accident and health insurance as an integral part of a life insurance program; Theodore Whitesall, Easton, and Alvin D. Beyer, Norristown, small town agents; John W. Donahue, resident vice-president Maryland Casualty, and Edward Lynch, assistant superintendent accident and health department General Accident.

The Cincinnati association will stage a breakfast April 24 with Morris Edwards, executive vice-president Cincinnati chamber of commerce, and James E. Powell, vice-president Provident Life & Accident, as the speakers.

The Detroit Accident & Health Association has arranged a sales congress for April 21, with a program of company and agency men running both morning and afternoon.

Give Sales Ideas That Click

DETROIT—Five of Detroit's top-notch accident and health men told the Detroit Accident & Health Association "how to do it" in a series of six-minute talks.

Sales ideas that click were delineated by Roy Long, Great Northern Life; E. B. Brink, Mutual Benefit Health & Accident; R. H. MacKinnon, Massachu-

setts; David Hoover, Reliance Life, and Paul F. Smith, Hoosier Casualty.

Covers Child Under Hospital-Medical

Century Indemnity is now issuing hospital and medical expense policies to children of adults, who carry such insurance with Century. This company is writing medical and hospital expense on the group basis only. It is not issuing the new individual policies that have been approved by the Bureau of Personal Accident & Health Underwriters.

The rate for the children is one-half the rate for the adults. Century Indemnity will write medical reimbursement coverage alone, hospital expense insurance alone or the two in combination.

The hospital policy provides a flat sum of \$5 a day for an aggregate of 30 days and then \$2.50 a day for an aggregate of 182 days. It includes surgical benefits according to a schedule ranging from \$5 to \$150. It also includes \$10 for x-ray, \$10 for dressings and medication, \$10 for anaesthetic, \$10 for operating room and \$3 indemnity for any one laboratory examination with an aggregate of six such examinations. In other words, the incidental indemnities have an aggregate limit of \$58.

Provisions of Medical Policy

The medical policy alone provides \$3 per visit for 30 days while the assured is in the hospital and \$2 a day for not exceeding 10 visits during the next 30 days while the assured is convalescing outside the hospital. The cost of the hospital coverage alone is 84 cents a month or \$10 a year. There is a \$1 policy fee the first year.

The cost of the medical feature alone is \$1 a month or \$12 a year with a \$1 policy fee the first year.

The cost of the combined policies is \$1.68 a month or \$20 a year with a \$2 policy fee the first year.

Instead of the customary group insurance requirement that 75 percent of the total employees be insured, Century Indemnity will be satisfied with a 50 percent sign-up. If only certain departments of a plant are to be insured, Century insists upon 50 percent of each department and will not permit individuals from other departments to be included.

Century Indemnity states that if any group is composed of more than 50 percent women there will be a special group policy issued with premium based upon the proportion of women in the group. These policies can be written only on the established group basis, i.e., 75 percent of the total number of employees with a minimum of 50 employees.

Specialist Not Needed to Sell A. & H., O'Connor Says

NEW YORK—Attacking the notion that it takes a specialist to sell accident and health insurance, E. H. O'Connor, assistant secretary Bankers Indemnity, told New York City brokers and agents that while this might have been a valid reason 10 years ago, the rates and contracts of most of the prominent companies are now on a uniform basis and that anyone who takes the trouble to investigate will be amazed at the simplicity of present day coverages. The meeting was sponsored by leading companies under the auspices of the New York Accident & Health Club. It was part of the preparations leading up to Accident and Health Week, April 24-29.

The reason the average individual has not purchased accident and health insurance is that he has not been approached, said Mr. O'Connor. He told of an officer of a big surety company, one which does not write accident business. This official's golf club locker has been for five years next to that of a prominent casualty producer whom he knew very well. A couple of years ago the surety man said to the broker, "Joe, do you sell accident insurance?"

As to where to find the time in which to solicit, Mr. O'Connor advised his

hearers, in making their usual calls, to take an extra four or five minutes to create a sense of need for accident protection and then try for a sale. Since it usually takes two interviews to make a sale, he suggested that another good method of conserving time is to draw up a short snappy sales letter and send out from two to five a day, depending upon one's capacity to follow them up and then two days later call on the recipients. He advised this interval as giving the prospect time to analyze the letter. The letter takes the place of the first call so that it is easier to make a sale on a single interview which has been preceded by a letter, he said.

Dr. J. S. List, psychologist, spoke on "Psychology Behind the Sale."

A. G. Oakley a Speaker

Other speakers were A. G. Oakley, vice-president U. S. F. & G. and honorary chairman of accident and health week in New York City; W. T. Hammer, Commercial Casualty, educational vice-president, New York club; H. M. George, U. S. F. & G., president New York club, who presented certificates to those qualifying in the educational lecture series; and R. W. Pope, chairman accident and health week committee.

Dr. Irving Gray will talk on "The Relation Between Injury and Disease" at the next regular meeting of the New York club, April 20, at 6:30 at the George Washington Hotel. C. J. Stephan, secretary and manager Metropolitan Casualty and Commercial Casualty, will be the toastmaster.

Preferred Accident Has New Hospital-Medical Policy

The Preferred Accident has put out a new medical expense and hospitalization policy, covering both accident and illness, including hospital, physician and nurse and surgical indemnities all in one policy, with an annual premium of \$20. It is sold as an independent contract, no other accident or health insurance being required. It pays \$5 a day for 30 days for hospital, \$10 each for operating room, anaesthetic, x-ray and medication and dressings, \$3 for each laboratory examination, not exceeding five in one year; \$2 for each physician's visit when confined at home, not to exceed 10; \$5 per day for graduate nurse, not to exceed 15 days, and surgical indemnity according to schedule, running from \$10 to \$100, with a maximum of \$100 for any year. It is issued only to male risks, ages 21-54, and is not being offered for sale in the larger cities.

Great Northern Life Expands

Great Northern Life is increasing the space occupied by its home office in Chicago to take in all of the fifth and sixth floors at 110 South Dearborn street. The company formerly occupied only about half the fifth floor. Remodeling and alterations are now under way. The additional space will enable the company to concentrate the executive offices on the sixth floor, which will include larger quarters for the actuarial department, and permit moving the supply, filing and other departments to the fifth floor.

Teacher Deductions Ruled Out

FREMONT, O.—Deductions from teachers' salaries for premium payment on group health and accident insurance were declared illegal in a report of the examination of Fremont schools by the state. Although payment was made with consent of the teachers, the state examiner cited an attorney general's opinion against salary deductions for charges made by a benefit association, and holding that school boards have no authority to contract for group insurance.

Joseph McCloskey, 65, well known insurance attorney and one-time president of the now defunct Metropolitan Surety of New York, died there.

Great Lakes Casualty Company

Detroit, Michigan

FINANCIAL STATEMENT

December 31, 1938

ASSETS

CASH (on hand or in banks).....	\$ 389,644.91
BONDS (at actual Market Values December 31, 1938).....	217,771.24
STOCKS (at actual Market Values December 31, 1938).....	306,543.25
REAL ESTATE (all income producing).....	40,110.70
MORTGAGE LOANS	
(38 first liens on improved real estate).....	111,514.97
PREMIUMS in course of collection (less than 90 days).....	226,424.19
OTHER ASSETS (accrued interest, etc.).....	4,463.33
TOTAL ASSETS	\$1,296,472.59

LIABILITIES

RESERVE For Claims and Claim Expense.....	\$ 242,440.56
RESERVE For Unearned Premiums.....	445,860.95
RESERVE For Commissions, Taxes, Bills, etc.....	85,920.38
Total Policyholders' Liabilities	\$ 774,221.89
RESERVE For Contingencies.....	22,250.70
TOTAL LIABILITIES except Capital Stock	\$ 796,472.59
CAPITAL STOCK.....	\$300,000.00
SURPLUS.....	200,000.00
SURPLUS TO POLICYHOLDERS	500,000.00
TOTAL LIABILITIES	\$1,296,472.59

OTHER CLASSES OF CASUALTY BUSINESS IN TEXAS

(CONTD FROM PRECEDING PAGE)

ACCIDENT AND HEALTH					
	Premia.	Losses		Premia.	Losses
Aetna Cas.	12	.....	Fidelity & Cas.	13,423	37,807
Aetna Life	312,930	\$ 140,425	First Reins.	11,041	6,020
Amer. Cas.	375	.....	Fireman's Fund Indem.	634	660
Amer. Employ.	514	.....	General Accel.	11,538	3,027
Amer. Hosp. Life.	272,969	125,757	General Amer. Life.	130,149	47,955
Amer. Reins.	11	.....	General Reins.	11,123	4,928
American Savings Life.	5,217	2,992	Glens Falls Indem.	372	.....
Bankers Indem. N. J.	25	19	Globe Indem.	3,880	626
Ben. Ry. Employ.	30,617	17,621	Great Amer. Indem.	2,530	326
Business Men's Assur.	212,923	90,696	Great Amer. Life.	18,419	4,000
Calif. Western State Life	6,603	3,474	Great Amer. Reserve.	84,558	18,572
Central Surety	20,476	22	Great Nat'l Life.	55,696	33,729
Century Indem.	123	160	Great Northern Life.	56,974	26,060
Colorado Life Ins. Co.	11,805	5,256	Hartford Accel.	34,529	12,637
Columbia Cas.	5,767	1,368	Home Indem.	1	.....
Commercial Cas.	22,881	16,800	Ill. Bankers Life Assur.	18,496	11,932
Continental Assur.	8,543	11,494	Indem. of No. Am.	171	8,041
Continental Cas.	267,074	122,059	Inter-Ocean Cas.	26,162	8,411
Eagle Indem.	2,949	484	Inter-St. Bus. Men's.	10,270	4,213
Employ. Cas.	295,001*	172,812	Internat'l Trav. Assur.	89,581	40,102
Employ. Liab. Assur.	2,180	843	Liberty Mut.	251	.....
Employ. Reins.	10,056	4,389	London Guar.	—38	298
Equitable Life Assur.	87,090	14,521	Lumber Mut. Cas., Ill.	213	50
European Genl. Reins.	14,226	18,670	Maryland Cas.	54,917	30,818
Federal Life & Cas.	9,814	5,150	Mass. Bonding	62,012	24,068
Federal Life Ins.	29,151	20,804	Mass. Protect.	116,899	76,472
			Metropolitan Cas.	39,506	12,616
			Metropolitan Life	156,298	74,420
			National Casualty	55,538	23,345

Mr. Agent,
we give you—

- a company large enough to give you good service but not too large to give you personal service.
- a company financially strong, with ample reserves to meet any contingency.
- a company offering multiple line facilities and prompt underwriting service.
- a company where the executive officers keep open doors and are always glad to see you and to work with you.



**COMMERCIAL STANDARD
INSURANCE COMPANY**

FORT WORTH, TEXAS

**AMERICAN
RE-INSURANCE CO.**

Robert C. Ream, President

99 John Street New York
DECEMBER 31st, 1938

CAPITAL	\$ 2,000,000.00
Surplus	4,547,338.93
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	4,574,742.68
All Other Liabilities	2,129,434.74
TOTAL ADMITTED ASSETS	13,751,516.35

NOTE: Securities carried at \$364,875.00 in the above statement are deposited as required by law.

**CASUALTY • FIDELITY • SURETY
Re-Insurance**

Opportunities
for Salesmen in
**48
States**

**Income
Insurance
Specialists**

• NORTH AMERICAN ACCIDENT
INSURANCE COMPANY • 209 SO. LA SALLE STREET
CHICAGO

CHANGES

Rankin Is Made Secretary of the Globe Indemnity

NEW YORK — Harry Rankin has been advanced from assistant secretary to secretary of the Globe Indemnity. He has been with the company since 1917, when he entered its surety claim department. He subsequently became head of the department, serving for eight years. Later he was transferred to the surety underwriting division, and for the past 10 years has performed general duties as a junior official. Before joining the Globe Indemnity he was with the Equitable Surety of St. Louis for five years.

Move Preferred's Pittsburgh Offices

PITTSBURGH—Due to the expansion of territory, the mid-eastern department of the Preferred Accident has moved to larger offices in the Grant building from its former location in the Commonwealth building.

Home office men who visited Pittsburgh in connection with the opening of the new office were Frank Schaap, secretary, and D. R. Stewart of the claim department. W. B. McNamara, Cleveland general agent and Special Agents J. M. Collins of Columbus and William Hates of Cleveland also were present. The office here is in charge of H. W. Jamison, manager.

Smith to Kansas City

Appointment of J. M. Smith of St. Paul, Minnesota manager of the Farmers Automobile Insurance Exchange, as assistant sales manager in Kansas City for eight states, was announced at a meeting in Oklahoma City. He is succeeded by W. B. Simpson, formerly agency superintendent for Oklahoma, Kansas and Missouri, with headquarters in Oklahoma City.

Speakers included A. W. Johnson, Kansas City, vice-president and middle-west manager; G. C. Jewett, Los Angeles, vice-president and sales manager; J. M. Bigelow, Los Angeles, superintendent of claims; Maurice V. Pew, Los Angeles, vice-president; R. J. Christman, Kansas City, sales manager, and Mr. Smith.

Mautz Succeeds Clark

Carl V. Mautz, who has been with the claim department of Aetna Life, in Portland, Ore., has resigned to become claim manager for General Accident in Portland. He succeeds I. W. Clark, who is entering a new general agency there.

Lovejoy to New England Field

T. R. Lovejoy, field assistant for Zurich, traveling in the middle western states with headquarters in Chicago, has been transferred to the New England field, with headquarters in the service office in Rutland, Vt.

Sass Assistant Claim Manager

Fred C. Sass has been appointed assistant manager of the claim department of the Buckeye Union Casualty. He has been with the company two years.

U. S. F. & G. Opens Spring School

BALTIMORE — Twenty-four students are enrolled for the opening of the spring session of the U. S. F. & G. school. G. C. Trenholm is in charge. Sixteen states are represented, with four women on the roster.

CASUALTY PRODUCTION MANAGER AND UNDERWRITER AVAILABLE

Available, a bureau casualty company's successful Ohio service production manager and underwriter. Knowledge of fire lines. Can guarantee results Bureau or non Bureau. I am well acquainted with the Ohio agents. ADDRESS J-57, NATIONAL UNDERWRITER

	Premia.	Losses
Nat'l Life & Acci.	1,177,348	531,369
New Amsterdam	15,864	5,721
No. Amer. Acci.	86,338	36,636
Occidental Life	10,750	5,635
Ocean Accel.	6,755	751
Ohio Cas.	735	236
Ohio State Life.	4,393	1,718
Order of Ry. Employ.	20,842	9,192
Pacific Mut.	320,352	216,018
Paul Revere Life.	88,945	53,436
Phoenix Indem.	813	241
Postal Mut. Indem.	24,996	14,431
Preferred Accel.	3,919	1,946
Protective Life	937	379
Provident Life & Acc.	309,599	137,118
Prudential	23,813	583
Reliable	267,890	138,774
Reliance Life	42,022	13,918
Royal Indem.	3,199	601
St. Paul Merc. Indem.	851	98
Security Mut. Cas. ....	.....	.....
State Farm Life.	5,730	1,840
State Farm Life.	210	.....
Sun Indem.	95	.....
Travelers Indem.	29,416	21
Travelers Ins. Co.	386,107	192,710
United Benefit Life.	73	.....
U. S. Cas.	10,299	3,038
U. S. F. & G.	19,204	2,110
U. S. Guar.	547	.....
Utilities	170	.....
Washington Nat'l	499,448	206,019
Zurich	74,406	41,425

Total, 1938\$6,140,108 \$2,893,807
Total, 19376,048,326 2,955,549
*Hospitalization.

STEAM BOILER, ENGINE & MACHINERY

	Premia.	Losses
Aetna Cas.	2,083	697
Amer. Employ.	1,690	.....
Amer. Reins.	8	702
Columbia Cas.	21,084	1,189
Continental Cas.	490	.....
Eagle Indem.	5,344	1,276
Employ Liab. Assur.	4,955	2,208
European Genl. Reins.	—1,070	1,236
Excess	45	.....
Fidelity & Cas.	14,614	1,436
General Accel.	—999	2,176
General Reins.	99	571
Globe Indem.	6,761	408
Hartford St. Boiler.	239,128	29,610
London Guar.	386	.....
Lumbermen's Mut. Cas.	866	.....
Maryland Cas.	25,995	2,710
Mutual Boiler	6,553	1,999
Ocean Accel.	15,707	683
Phoenix Indem.	—49	.....
Royal Indem.	3,026	2,143
Security Mut. Cas.	12	.....
Travelers Indem.	29,416	21

Total, 1938\$ 381,142 \$ 49,044
Total, 1937609,028 104,638

CREDIT

	Premia.	Losses
Amer. Credit Indem.	25,743	1,055
Employ. Reins.	3,171	.....

Total, 1938\$ 28,914 \$ 1,055
Total, 193710,484 —413

LIVE STOCK

	Premia.	Losses
Hartford Live Stock.	3,689	1,040
Hartford Accel. & Indem.	131	.....

Total, 1938\$ 8,820 \$ 1,040
Total, 193712,107 11,356

SPRINKLER LEAKAGE

	Premia.	Losses
Aetna Cas.	2,788	1,413
Amer. Agency Lloyds.	562	.....
Commercial Cas.	107	29
Maryland Cas.	1,622	129
Metrop. Cas.	82	.....
U. S. F. & G.	321	47

Total, 1938\$ 5,482 \$ 1,618
Total, 19378,440 2,226

Drunken Driving Record Improves

NEW YORK—Of the estimated 74,125 motor vehicle accidents in this state last year, drunken-drivers, Motor Vehicle Commissioner Mealey finds, were responsible for the death of 50 persons and the injury of 1,076 others, 117 being seriously hurt. This is a distinct improvement over that of the preceding 12 months. Of this type of accident 24 occurred in "open country," 10 on curves, and every third accident on a curve proved fatal. Weather and road conditions, the commissioner asserted, were negligible factors in the accident record, 84 percent of the fatalities having occurred on dry roads and in clear weather.

Motor vehicle accidents in New York City last year, according to the report of Police Commissioner Valentine, were less by 2,240 than for 1937, the figures being 25,798 and 28,038 respectively. The number killed in 1938 was 890 and those injured 30,640. There was a marked decrease in the number of children of school age killed.

Robert Beidler, adjuster in the Akron office of the Buckeye Union Casualty Co., has gone to Florida to recuperate from an illness.

POINTERS FOR LOCAL AGENTS

New U. & O. Form, Difference from Profits Shown in Skit

The new gross earnings coinsurance use and occupancy form for mercantile risks was explained in a dialogue between an agent and a field man at the mid-year meeting of the National Association of Insurance Agents at Hollywood, Fla. H. J. Haas, Atlanta, took the part of the agent and A. A. Hepp, New York, superintendent southeastern service department Home of New York, played the role of the field man. Excerpts from the dialogue follow:

Agent: "What is the big idea?"

Field Man: "The 'big idea,' as you call it, is the new business interruption form, officially designated by that name instead of use and occupancy. It is particularly adapted to mercantile risks, both large and small. As you well know, this field has not been satisfactorily covered, and I believe this is because the subject seemed too hard to understand, but now we have a form that will suit the merchants' needs and can be easily adapted to each individual risk."

A: "I hope this is a progressive step toward simplifying this type of insurance coverage and giving it more sales appeal."

F: "That is true. You will find this new form will remove a lot of your difficulties, because the coverage is based on the gross earnings of the business and, of course, it is a simple matter to determine what the gross earnings are. Furthermore, this policy may be written with a coinsurance clause as low as 50 percent."

* * *

A: "That does sound like an improvement, but I never have had any luck at all in trying to sell this sort of stuff and I don't think I want to bother with it."

F: "You are not going to get rid of me so easily, because I know we have something here that both you and your customers need. You are carrying fire and extended coverage on the building and contents of the Hollywood Department Store for several hundred thousand dollars. That is fine, and they need every dollar's worth of the property damage insurance. Now let's suppose a catastrophe should occur that destroys the building and contents. They would, of course, collect for the physical damage done and would have these funds for rebuilding and for replacing the stock, but a very considerable length of time may elapse before they can get back to normal and profitable operation. During the time their business is interrupted, where is the money coming from to pay their usual dividends, the interest on their indebtedness, their taxes, your insurance premiums that have not been stopped by the loss, their advertising or other contracts that run indefinitely, the extra expense necessary to get back into business, and other items of expense that must continue? Isn't it a fact that the stockholders may lose dividends, that the officials are going to lose salaries, that the employees are going to lose wages, and that the firm must use funds derived from some source to pay the expense which must necessarily continue in partial or total interruption to business, and also aren't they going to lose the net profits on the sales which are prevented?"

A: "But that concern is in a fine building, sprinklered, with supervisory service. How in the world are they ever going to have a fire loss that would to-

tally destroy their property or even have a substantial damage?"

F: "I agree it is rather hard to figure that risk being a total loss, but don't forget it does occur at times, and don't forget we are also covering other perils, like windstorm, tornado, explosion, and riot, where the construction is of little help. Remember that a loss which might cause very little property damage to either the building, equipment or the stock could cause a very serious interruption to their normal business."

A: "Well, I guess you are right. They should give proper consideration to the loss that may result due to interruption of business, and, of course, this could be more serious than the property damage itself. Maybe I have not had the right slant on this type of insurance. Then, too, the possible impairment of their credit as a result of a serious loss should not be overlooked."

* * *

F: "Under this form, the measure of recovery is the reduction in 'gross earnings' less those expenses that would be discontinued during the time of restoration of the business. That is the actual loss the business would have sustained if there were no insurance protection."

"The form includes such extra expenses as are necessarily incurred for the purpose of reducing any loss under the policy. It also covers such additional time as may be required for replacing the stock but not exceeding 30 consecutive days, which, however, can be extended by paying an additional premium, although in the average case 30 days replacement time would seem to be enough."

A: "The first thing I want to know is just how we are going to determine the amount of insurance the merchant needs. Tell me just what is meant by 'gross earnings.'"

* * *

F: "The form itself gives the definition of 'gross earnings' as follows: 'For the purpose of this insurance gross earnings are defined as the total net sales less cost of merchandise sold, plus other earnings derived from the operations of the business.' Of course, consideration must be given to the future prospects of the business, and it is necessary to determine as near as possible whether the gross earnings are likely to increase or decrease. We have a work sheet for arriving at this figure, from which you can see how very simple it is to determine the proper amount of business interruption insurance."

A: "After you arrive at the prospective gross earnings of the business, as I understand it, you can use any coinsurance clause you like from 50 percent up."

F: "That is correct. In event of loss and assuming that the coinsurance clause has been complied with, there are two important points to determine in the adjustment of the loss: first, the length of time necessary with due diligence and dispatch to restore the property; second, the loss of earnings due to decrease of sales directly caused by the interruption."

"From the gross earnings which have been determined there must be deducted such expenses as can be discontinued without retarding the resumption of partial or normal business, and then any extra expenses incurred for the purpose of reducing the loss are added, but these expenses must not exceed the amount

by which the loss is reduced. Furthermore, if the operations of the business are delayed by inability to replace the damaged or destroyed stock, this additional time is also included but is limited to a period of 30 consecutive days."

A: "From your explanation, the adjustment of the loss sounds fairly simple, but there is one point where I see the possibility of considerable discussion. How do you determine the expenses that can be discontinued without retarding the resumption of business?"

F: "It is true that this does leave an opportunity for argument in arriving at the true loss, but as there would certainly be some expenses that need not continue in case of a total or partial suspension of business, there is no reason why the assured should collect for that portion of his expense which can be avoided. The policy undertakes to do for him only what his business would have done had there been no interruption. Most of the expense may continue in a period of short interruption but certainly some expenses are dropped in a period of long interruption."

* * *

A: "There is another point that will leave doubt in the assured's mind. This type of insurance deals with unknown future value, which differs from property value in that it cannot be exactly determined in advance. The coinsurance requirement is based upon this future experience for a 12 months period from the date of the loss. That may cause some grief."

F: "This can be avoided, if the risk is sprinklered or a fire-resistive building, because an agreed amount clause may be used so that there can be no question at the time of loss as to whether or not the assured is complying with the coinsurance clause. That is a very nice feature, but remember the amount of insurance may or may not be sufficient at the time of loss if there is an unusual pick-up in business, but at least the assured knows he will not be a contributor under the coinsurance clause."

* * *

A: "But how do we go about arriving at this agreed amount?"

F: "Your assured makes up a statement which is not at all complicated, and the amount of gross earnings so determined will be the basis for the coinsurance clause in the policy. This agreed amount is good for a specified length of time, ordinarily a period of one year, to be readjusted each year by filing a new statement like the original."

* * *

A: "How do you arrive at the rate for this new form?"

F: "That is quite simple indeed, and, of course, the rate varies with the coinsurance clause used. If a 50 percent coinsurance clause is used, the rate would be 80 percent of the 80 percent coinsurance building rate, and this rate goes down proportionately as the coinsurance clause is increased."

A: "This simplified form is certainly a great improvement, but I have always had an idea that profits insurance was better protection and would be better adapted to a mercantile risk than business interruption insurance."

F: "I cannot agree with that idea at all. In the mercantile business, profits are not earned until the goods are sold, so there is no profit to the merchant as long as the goods are in his store. If this stock should be destroyed by an insured hazard, the merchant can replace it without any loss of profits, but such insurance will not pay for the loss of profits on sales which are prevented."

"Moreover, profits insurance would pay the loss of profit only on the merchandise which is damaged or destroyed,

and at most, this would be only one turnover of the stock. But as the present day turnover is as much as six and one-half times a year in some instances, the business interruption of a few months would mean a very severe loss by preventing the additional turnovers that he would have had during that time; also, there would be no recovery for his continuing expenses during the time of a total or partial suspension."

"Then let's take the case of a large department store occupying a building, say, seven stories high, and let's suppose that fire, or some other insured hazard, caused the shutdown of the elevators only, no other damage being done to the property. This would undoubtedly curtail sales on the upper floors and reduce the gross earnings. Such loss could only be taken care of by a business interruption policy, as no stock would be damaged and consequently no profits insurance would be payable."

* * *

A: "Let's go back and analyze more carefully how to arrive at a merchant's 'gross earnings.' By referring to the work sheet I notice the first item says, 'total net annual sales,' which means gross sales less returns and allowances. From this amount I notice you deduct 'cost of merchandise sold.' What items make up the cost of the merchandise?"

F: "The only items that would be included are the actual cost and transportation charges for placing the merchandise in the store. You will have to admit that this is a simple way of arriving at the base figure to be used for business interruption insurance, and I am sure you will find this overcomes a lot of resistance encountered when you begin to ask a prospect about his net profits, salaries of executives, and key employees, and confidential matters of that description. Then, too, when you tell him that he only need take 50 percent of this amount, I think you will find this will get his attention."

* * *

A: "How are we going to determine the proper coinsurance clause?"

F: "You have brought up a point that will require very careful consideration of each risk to be insured. We must first consider the construction of the building occupied by the merchant, the probability of its total destruction, and the probable length of time required to re-build. Additional consideration must be given in each individual case to the sales fluctuation throughout the year, which is very important. In a large department store, for instance, the months of September, October, November and December, which represent only one-third of a year, probably account for at least 50 percent of the annual sales. If a store fitting this description should sustain a loss around, say, September 1, and it would take more than four months before it could get back into operation, the merchant would not be fully protected if the policy is based on 50 percent of gross earnings because the insurance would be exhausted in the four months of maximum earnings."

A: "I am afraid the merchant will raise considerable objection to including the total amount of his ordinary payroll in arriving at the amount of insurance required as in any sort of a serious interruption in business most of his ordinary payroll would be deducted as those employees would not be necessary for assisting in the resumption of business."

* * *

F: "That is probably true, but let us keep in mind that the average interruption will likely involve a period of time under three months, and that 50 percent

(CONTINUED ON PAGE 39)

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Detroit Company Executives Honor Emery and Gauss

DETROIT—Fifty executives of insurance companies of all types domiciled in Wayne county, including life, fire and casualty, stock, mutual and reciprocal, honored Col. J. G. Emery, newly appointed Michigan commissioner and C. E. Gauss, retiring commissioner, at a formal banquet at which they expressed their gratitude to Mr. Gauss for his able handling of the department and pledged their support to the new commissioner.

Judge L. J. Carey, Michigan Mutual Liability, introduced H. G. Orr, president of the Gleaners Life, who was toastmaster. Howard Brown, counsel Detroit Automobile Inter-Insurance Exchange, toasted Mr. Gauss, who responded fittingly. Col. S. D. Pepper, Michigan Life, toasted Col. Emery, who replied briefly.

W. G. Curtis, president National Casualty, was chairman of the committee sponsoring the banquet. Assisting him were C. C. Bowen, president Standard Accident; W. E. Otto, president Michigan Mutual Liability; J. J. Ramsey, general manager Detroit Automobile Inter-Insurance Exchange; L. J. Trainor, executive vice-president Michigan Life, and G. K. March, president Detroit National Fire.

Townsend to National Board

ST. PAUL—Capt. John Townsend, who retires April 30 as head of the St. Paul fire patrol, will join the Chicago office of the National Board. He will turn over to the St. Paul fire department the fire records kept by the St. Paul patrol since it was established 40 years ago. These records have been much consulted by insurance men.

It is understood that Capt. John T. Ruane of the Minneapolis patrol will be retired on pension. He has been with the organization since it was established 40 years ago.

New Agents' Group in Toledo

TOLEDO, O.—A new Association of Insurance Agents has been formed here, composed largely of those in the insurance business who are not members of the present Toledo Association of Insurance Agents. Officers of the new association are: G. H. Rutter, president; Clifford Dussell, vice-president; W. G. Wandel, executive secretary.

Nebraska Leaders in 1938

LINCOLN, NEB.—The ten leaders in stock fire insurance in Nebraska in 1938 were:

	Premiums	Losses
Hartford	\$647,816	\$344,844
Home	539,678	298,204
National Fire	297,588	116,294
Aetna	252,728	123,387
Great American	242,252	145,723
St. Paul F. & M.	229,267	103,333
Springfield F. & M.	208,227	100,213
Ins. Co. of N. A.	207,252	107,512
General Exchange	180,868	101,123
Fidelity-Phenix	152,705	100,160

Dearborn National Deviation

Dearborn National Fire of Detroit has filed deviations in Ohio and Michigan whereunder a rate of 10 cents will be charged for windstorm coverage on dwellings where an apportionment clause is attached providing that windstorm insurance is covered in the same amount as fire insurance on dwelling property. The bureau windstorm rate is 16 cents. Dearborn National will con-

tinue to charge that amount in the absence of the apportionment clause.

Dearborn National will use the standard loading for all other than windstorm hazards in the extended cover endorsement. This produces a 12 cent rate compared with the bureau rate of 18 cents.

Ohio Mid-Year in Columbus May 19

The Ohio Association of Insurance Agents has selected May 19 as the date for its mid-year meeting, which will be held at the Neil House, Columbus.

NEWS BRIEFS

H. H. Adams, who a few years ago retired as manager of the insurance department of Cathcart & Maxfield, St. Paul, due to ill health, has recovered sufficiently to rejoin the firm. George Radcliffe, who went from Chicago to take Mr. Adams' place, remains with the firm also.

Carrie B. Duckworth was elected president of the Detroit Insurance Women's League at the annual meeting. The first vice-president is Ethel Fox; second vice-president, Clara K. Losey; secretary, Viola Gifford and treasurer, Lillian Ruottinen.

A new series of Business Development meetings was launched in Kansas this week at Dodge City April 13 and Oberlin April 11.

Kansas local agents elected mayors of their cities include J. C. Truman, El Dorado; Robert Hall, Lyons; I. J. Carter, Garden City; E. E. Innis, Meade; R. R. Bechelheimer, Ulysses, and C. G. Dennis, Sublette. Ernest Murphy of the J. N. Bailey & Co. agency, Hutchinson, was elected finance commissioner.

Wichita insurance men on the four-state "good will tour" of the Wichita chamber of commerce April 17-20, which takes them as far as El Paso, Tex. are C. J. Slayson, Dulane, Johnston & Priest; H. A. Blinn, Wheeler, Kelly, Hagney; Robert Burns, Harris, Burns & Co.; John Cauthorn, H. C. Cunningham of Sheffer-Cunningham, adjusters.

Harry Levant of Eveleth, chairman of the executive committee of the Minnesota Association of Insurance Agents, will represent that organization at the mid-year meeting of the Wisconsin association April 27.

W. H. Black, attorney, addressed the Toledo Association of Insurance Agents on "Products Liability" and reviewed recent court decisions on the subject.

The next Wisconsin Business Development meeting will be held at Green Bay April 20, for District 11.

With improvements in water supply and fire department facilities, the Fire Insurance Rating Bureau has reclassified Reedsville, Wis., from eighth to seventh class.

What is expected to be the largest of this season's series of Business Development meetings in Missouri will be held at the Municipal Auditorium in Kansas City April 18.

M. E. Foltz, superintendent of claims Farm Bureau Mutual, addressed the Mutual Insurance Club of Columbus, O., on "Mutual Insurance as Seen by Claim Men."

J. J. Conway, Jr., manager Western Adjustment, Cincinnati, will address the Cincinnati Fire Underwriters Association April 13 on the practical application and operation of the coinsurance clause.

Ward Senn is president and T. G.

Linnell chairman of the safety committee of the Hennepin County Safety Council which has just launched a permanent program for traffic safety. Both are prominent Minneapolis insurance men.

The Tracy M. Rodwell agency of Oakland, La., has been moved to a new location on Main street.

The Hayden Insurance Agency, Newark, O., has been incorporated by George Hayden, Jr., D. R. Hayden and Thomas H. Moore.

F. W. Wilson has opened an agency in Kansas City, Kan., to represent a number of companies through the T. W. Garrett, Jr., General Agency.

L. B. Draper, Wadsworth, O., has sold the Wadsworth Insurance Agency to Eldon Williams and Boyd Abrams. Mr. Draper will reenter the insurance business at Orlando, Fla.

Pastoor & De Graaf agency, Grand Rapids, Mich., is now located at 425 Michigan Trust building. It was formerly at 825 Grandville avenue. The members are Wm. J. Pastoor and Benjamin DeGraaf.

EAST

Non-Assessable Law Sought by Massachusetts Mutuals

BOSTON—Since only Massachusetts and New Hampshire forbid the issuance of non-assessable policies by mutual companies, the Massachusetts mutuals find this a serious competitive disadvantage with mutuals of the other 46 states, so they are backing a bill to permit mutual companies to issue policies without contingent liability, provided their surpluses equal the combined capital and surplus required of stock companies.

The bill is sponsored by Counsel William Doyle of the Liberty Mutual. At a hearing George L. Barnes, counsel Mutual Fire Insurance Association, representing 24 mutual fire companies, declared the Massachusetts companies were feeling the competition of foreign mutuals which can write non-assessable policies in Massachusetts. He said none of the Massachusetts fire mutuals have levied an assessment since the Boston fire of 1872 and not one of those with \$300,000 surplus, which would qualify them to stand on a par with stock companies, has ever levied an assessment.

President Burton S. Flagg of the Merrimack Mutual of Andover, which is licensed in 20 states, said banks and mortgagees are refusing to accept assessable mutual policies when they can get non-assessable mutual protection.

Elliott R. Howard, president Middlesex Mutual Fire of Concord, said his company was losing agency representation in many other states due to the fact his assessable policies can not be sold in competition with non-assessable mutual policies. Similar testimony was given by President Carl A. Green of the Berkshire Mutual Fire of Pittsfield.

Hedge Opposes Bill

President William R. Hedge of the Boston and Old Colony, opposing the bill, said the mutuals of today, unlike in the past, are stepping out and attacking the business of the stock companies. What the bill actually proposes to do is to allow the mutuals to operate on a stock basis but in lieu of incorporating as stock companies with capital stock, to use the profits belonging to present and past policyholders to qualify them to issue non-assessable policies.

Counsel John W. Downs of the Insurance Federation of Massachusetts declared the bill destroys the mutuality of mutual companies and would extend "legalized rebating" to allow mutual companies to get the cream of the busi-

ness, and would increase rates for the average risks.

Answers Pittsburgh Mayor

PITTSBURGH—Mayor Scully's demand for fire insurance rate reductions brought a reply that rates have been decreasing. W. K. Estep, manager, Allegheny county division, Middle Department Rating Association, said that one or more classes received some reductions each year during the last 10 years.

Figures quoted by Mayor Scully to bear out his contention that the annual fire loss in Pittsburgh is only about 10 or 15 percent of fire insurance premiums paid would be more applicable to Allegheny county as a whole than to the city of Pittsburgh, Mr. Estep stated. The figures, according to an attache of the mayor's office, were based on amounts collected by the state on a 2 percent tax on insurance with out-of-state firms.

Lancaster Agents Fete Contractors

The Stock Insurance Agents Association of Lancaster, Pa., has invited all electrical and general contractors to attend its meeting April 24. At that time a movie film will be shown of the work of the Underwriters Laboratories. The intention is to acquaint contractors with the type of work that is done and also to increase the membership of the agents' association among the city and county producers.

Taggart Makes Appointments

Commissioner Taggart has made a number of new appointments in the Pennsylvania department. They include Charles S. Lazarus, Kingston, examiner; John F. Palmer, Philadelphia, actuary; George W. Dodson, Benton, chief of complaints; George B. Anderson, Philadelphia, examiner; Vincent D. Brown, Philadelphia, investigator, and H. P. Bamberger, Philadelphia, examiner.

Worcester Veteran Honored

WORCESTER, MASS.—W. P. McPherson of Ingraham, Parker & McPherson, veteran Worcester agent, was honored on completion of 50 years in business by his insurance friends in Worcester and company connections. Field men presented Mr. McPherson a silver service, the gift of 14 companies he has represented for many years, with a leather bound testimonial enclosing letters from the companies. He is a past president of the Worcester Board.

"Milking of Companies" Condemned by Legislator

BOSTON—"With the state milking the insurance companies to the tune of \$5,000,000 a year it is strange that it can't take care of the cost of maintaining the insurance department," declared Senator Nicholson, chairman of the Massachusetts legislative insurance committee at a hearing on insurance bills.

The chairman took Commissioner Harrington to task for passing on to the insurance committee a warning from the ways and means committee, to the effect that the insurance committee should go slow in favoring measures which would entail additional expense in operating the insurance department.

Commissioner Harrington said his department's appropriation was \$416,000 last year and the revenue from the insurance interests is about \$5,000,000, of which some \$280,000 comes direct in the way of fees, etc.



WHEN THE FLASH BULB WAS SET OFF AT THE MID-YEAR MEETING OF THE NATIONAL AGENTS ASSOCIATION:

(Top)—Allan I. Wolff, Chicago; W. B. Buchanan, Miami; R. H. Wilson, Deland, Fla.; Gregg Black, Deland. (Bottom)—A. D. Langham, Houston; F. F. Ludolph, San Antonio; M. E. Sprague, secretary Home; Mrs. Louis E. English, Richmond, Va.

IN THE CANADIAN FIELD

Canadian Marshals Program Announced

The program has been completed for the annual meeting of the Association of Canadian Fire Marshals in Winnipeg, May 4-5. The Dominion Fire Prevention Association will have its meeting there May 3. W. J. Scott, Ontario fire marshal, will give the presidential address. J. E. Ritchie of the Ontario fire marshal's department will report as secretary. There will be an address by the Dominion fire commissioner.

A. L. Ham, manager Canadian Underwriters Association, Montreal, will give a talk "Personal Liability for Fires." V. D. Hurst, manager Western Canada Underwriters Association, will give a talk on "Economic Fire Prevention."

Others With Their Subjects

State Fire Marshal Clem Smith of Indiana will address the meeting on "Firemen's Training School;" A. H. S. Stead, manager Dominion Board of Fire Underwriters, "The Dominion Board;" Dean E. P. Fetherstonhaugh, University of Manitoba, "National Building Code;" Maj. Howell Smith, Wawanesa Mutual, "Dangerous Modern Furnaces and Stove Pipes."

At the second day's meeting, talks will be given by Fire Chief D. A. Boulden, Winnipeg, "The Fire Officer's Part in Arson Investigation;" Harry Rethoret, Fire Underwriters Investigation Bureau,

"Admissibility of Statements;" Fire Marshal Fred H. Watkins of West Virginia, "Arson Investigation in West Virginia;" Inspector N. F. E. Anthony, Royal Canadian Mounted Police, "The R. C. M. P. Investigates Arson;" Dr. G. G. Murphy, Winnipeg, "Scientific Identification in Criminal Cases;" Wilson McLean, Winnipeg, assistant superintendent of insurance for Manitoba, "Fire Prevention Laws;" Insurance Commissioner A. E. Fisher, Saskatchewan, "Personal Property Floater Policy."

Accident-Health Experience in Canada, 1938, Reported

TORONTO—Personal accident net premiums written in Canada by all companies holding federal licenses in 1938 totaled \$3,246,247, loss ratio 39.2 percent, compared with \$3,199,319 in 1937, with loss ratio of 42.4 percent.

The Travelers led with \$511,731, loss ratio 31.88 percent; Continental Casualty, \$334,913, 31.03 percent; Employers Liability, \$344,068, 38.2 percent; Dominion of Canada General, \$223,795, 57.63 percent, and Metropolitan Life, \$206,468, 41.69 percent.

Sickness premiums were \$1,558,668, loss ratio 61.57 percent.

Net premiums written on combined accident and sickness insurance were \$2,696,848, with loss ratio 56.88 percent. Leaders were the Metropolitan Life, \$647,817; Mutual Benefit Health & Ac-

cident, \$532,288, and London Life, \$360,733.

Shows Many Drivers Covered

VANCOUVER, B. C.—H. G. M. Eilson, manager of the automobile branch of the British Columbia Underwriters Association, addressing the insurance, financial and real estate bureau of the Vancouver Board of Trade on compulsory automobile insurance, said the general impression is that only about 30 percent of the drivers in the province are insured against third-party liability. He averred that in the Vancouver-New Westminster area, possessing a large slice of the province's population, from 50 to 60 percent are covered. It is less in the interior and rural areas.

J. Grove Smith Dies

OTTAWA, CAN.—J. Grove Smith, who retired recently as Dominion fire commissioner, died here after a long illness. He was born in England and after coming to Canada in 1907 he was consulting engineer of the Canadian Fire Underwriters' Association at Toronto until 1914, when he became technical adviser and engineer of the Commission of Conservation, Ottawa. He held office as Dominion fire commissioner from its inception in 1919, and was also executive officer of the Dominion Fire Prevention Association from that time.

Hail Premiums Up 150 Percent

TORONTO—Net premiums written on hail insurance in Canada in 1938, as reported to the Dominion department,

increased more than 150 percent over 1937, totalling \$1,444,037 as compared with \$567,833. Net losses incurred were \$1,098,933, loss ratio 76.1 percent. In 1937 it was 72.02 percent.

The Home led with hail premiums of \$242,695, loss ratio 88.85 percent. The Continental was second with \$133,871, loss ratio 80.71, and Great American third with \$93,268, loss ratio 59.9 percent.

Several Ontario Changes Sought

TORONTO—Several changes are included in an amending bill now before the Ontario legislature. One proposes to remove the one-year restriction on policies on mercantile and manufacturing risks; this follows the agreement reached at the 1938 conference of provincial insurance superintendents. Another legalizes the renewal of an accident and sickness policy by means of a premium receipt, without requiring a re-statement of the information required in the original contract. Another clause provides that the exemption of fully salaried employees of an insurance company from paying fees as agents, be left to the discretion of the superintendent. The bill also extends to all transportation companies the privilege of issuing travel accident insurance tickets; this privilege has been confined to railways.

J. R. Stewart, vice-president Aetna Fire, who sustained an attack and breakdown some months ago, has been sojourning in southern California. He expects to return to Hartford in about three weeks but will be compelled to take life rather leisurely.

IN THE SOUTHERN STATES

Waco Agents Plan for Texas Meeting

WACO, TEX. — President Davis Stribling of the Waco Insurance Exchange announces that committees of



DAVIS STRIBLING

that organization are working out plans for entertainment of delegates to the annual convention of the Texas Association of Insurance Agents here May 18-19, with headquarters at the Roosevelt Hotel.

The Texas association is preparing the program for the meeting. It is urging all agents in the state, whether members of the association or not, to attend the convention. Speakers of national reputation will be on the program to discuss questions of vital interest.

The first Business Development program in Texas was held at Wharton, in charge of the regional committee for Houston.

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Virginia Results in Fire Field Are Presented

The Virginia department has issued a summary of the 1938 operations of fire companies in that state. Total net premiums received in respect of fire business only were \$7,979,304 as compared with \$8,391,658 the previous year. Net losses paid were \$2,630,119 as compared with \$2,935,672 the previous year. Stock companies had premium in 1938 of \$6,683,166 and losses \$2,318,000. Mutuals had fire premiums \$1,138,560 and losses \$286,808. Reciprocal had premiums of \$157,578 and losses \$25,311.

The total premiums received, all lines, by fire companies were \$11,359,211 and losses \$4,463,064. The comparable figures for 1937 were \$12,149,425 and losses \$5,115,266. Stock companies had premiums, all lines, \$9,799,538 and losses \$4,020,285. Mutuals had premiums \$1,394,370 and losses \$417,147.

The total premiums, all lines, and losses of the principal writers in Virginia are given herewith:

STOCK COMPANIES

	Premis.	Losses	Loss Ratio
Aetna	\$317,919	\$125,720	39.54
Agricultural	105,959	40,797	38.50
Alliance	52,734	46,316	85.93
American Equit.	81,146	33,805	41.66
American	181,391	67,929	37.45
Automobile	163,952	49,879	30.42
Boston	98,796	38,953	39.43
Camden	44,765	23,648	52.83
Commercial Union ..	71,095	17,424	24.51
Continental	266,782	95,951	35.97
Dubuque F. & M.	103,658	44,258	42.70
Eagle Star	52,482	18,665	35.56
Eastern Shore	53,373	41,161	77.12
Fidelity & Guar.	69,696	31,626	45.38
Fidelity-Phenix	177,671	99,002	55.72
Fire Association	97,057	44,975	46.34
Fireman's Fund	175,900	70,645	40.16
Firemen's	44,504	46,614	104.74
Franklin	144,038	55,004	38.19
General Exchange ..	406,444	251,651	61.92
Georgia Home	42,995	15,760	36.66
Girard F. & M.	54,426	5,776	10.61
Glens Falls	100,868	38,993	38.66
Globe & Rutgers	92,645	23,845	25.74
Great American	22,386	71,400	31.40
Hanover	41,302	10,873	26.33
Hartford	442,228	206,340	46.66
Home	736,043	454,952	61.81
Ins. Co. of N. A.	311,613	121,386	38.95
Liv. & L. & G.	134,704	46,532	34.54
London Assur.	67,152	18,635	27.75
National	151,623	61,453	40.53
National Liberty	149,573	47,673	31.87
National Security	44,713	13,372	29.91
National Union	113,707	42,353	37.23
Newark	44,537	15,370	34.51
New Hampshire	178,829	49,004	27.40
North British	41,310	53,997	130.71
North River	75,815	26,833	35.39
Northern Assur.	71,068	21,604	30.40
Northern	59,958	27,157	45.29
Norwich Union	41,076	9,731	23.69
Old Colony	42,143	12,587	29.87
Paul Revere	90,251	84,805	93.97
Pearl Assurance	126,858	78,998	62.27
Phoenix, Conn.	125,791	31,996	25.44
Phoenix, Eng.	50,727	9,730	19.18
Prov. Washington ..	71,205	25,910	36.39
Queen	97,107	32,423	33.42
Royal Exchange	55,256	29,684	53.72
Royal	135,904	46,845	34.47
Security	41,782	11,397	27.28
Southern Fire	56,883	26,738	47.01
Springfield F. & M. ..	176,684	60,404	34.19
St. Paul F. & M.	110,324	41,812	37.90
Standard	45,059	12,786	28.38
Standard of N. Y.	47,823	30,829	64.46
Sun	46,971	21,584	45.95
Travelers Fire	240,257	79,113	32.93
United States	107,826	28,435	26.37
Virginia F. & M.	148,651	50,120	33.72
Westchester	97,198	29,855	30.75

MUTUALS AND RECIPROCAL

Central Mfrs.	119,325	48,436	40.59
Hardware Dealers ..	85,849	10,713	12.48
Hdwre. of Minn.	91,440	19,978	21.85
Ind. Lumbermen's	53,008	18,316	34.55
Lumber	47,814	20,684	43.26
Lumbermen's	81,664	21,582	26.43
Lumbermen's Un.	59,886	269	.45
Mill Owners	63,521	23,286	36.66
Minn. Implement	101,153	11,470	11.34
Mut. of Hartford	124,692	65,228	52.31
National Retailers ..	46,067	21,603	46.89
Northwestern	111,126	24,060	21.65
Pa. Lumbermen's	137,263	44,761	32.61
United	81,205	15,772	19.42

Tells Value of State Supervision

SPRINGFIELD, TENN.—In an address before the Springfield Insurance Exchange, Commissioner McCormack

credited state supervision with improving insurance of all kinds and reducing fire losses through elimination of fire hazards.

Insisting that the public benefits most by buying insurance from reliable local agencies, Mr. McCormack said: "Your own local agent is usually a man of high moral principles and good standing in the community and any profit he may make, by reason of the fact that you trade with him, is repaid in the security that is afforded by the reliability of the companies in which he places your contracts." Later he declared: "No one can protect those who insist on following their own whims in buying from fly-by-night agencies or agents who represent no one but themselves."

H. D. Moore, president of the exchange, presided. Mr. McCormack was accompanied from Nashville by Henry Roberts, Paul Eldridge, Leon McGilton, W. H. G. Caldwell, Karl Burgess and J. L. Dorris, Tennessee field men.

Knott Intends to Remain at Post

TAMPA—A report, largely circulated, is to the effect that W. V. Knott, Florida state treasurer and ex officio insurance commissioner, will not stand for reelection in 1940. Sources close to Mr. Knott

state that this is untrue; that Mr. Knott has no idea of not running for the next four years. One of his supporters and a close friend asks that the impression be corrected. The statement came out in discussion of the possibility of the creation of a separate department of insurance by the legislature now in session. Well posted leaders in all branches of insurance in the state feel that until Mr. Knott retires there will be no change in the ex-officio setup.

Warns on Over-Insurance

LOUISVILLE—In mailing out new rule book sheets to agents, the Kentucky Actuarial Bureau included a letter from D. P. Vandiver, supervisor of the department of fire prevention and rates, urging agents to use greater care in avoiding over-insurance.

New Builders Form in Kentucky

LOUISVILLE—Changes in the dwelling and household furniture form now in force in most middle western states have been put into effect in Kentucky and the "completed value" builders risk form has been authorized. The reporting builders risk form is also revised in recent changes in the Kentucky rule book. In a bulletin accompanying these changes,

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M. E. Bulske, Chief Inspector

G. H. Parker, manager Kentucky Actuarial Bureau, points out that the new gross earnings co-insurance use and occupancy form is for mercantile risks only and must not be used on the so-called non-manufacturing risks, such as hotels, theaters, public garages, etc. He asked that doubtful risks be referred to the bureau.

Oklahoma Non-Admitted Drive

OKLAHOMA CITY—A drive to clean up unlicensed agents and sale of policies of non-admitted companies is being launched by the Oklahoma insurance board. Several offenders have been reported to the board and an investigation may result in other charges, Secretary Harkey said.

Greeves with Scruggs & Co.

R. C. Greeves, formerly a local agent at Beaumont, has been appointed special agent in the special risk department of Gross R. Scruggs & Co. of Dallas. He will travel all of Texas for this department.

Dallas Agents Blue Goose Guests

Local agents of Dallas will be guests of the Texas Blue Goose May 8 at the Dallas Country Club for a golf tournament and dinner. W. R. Bagby, secretary Trinity Universal, was the low score winner at the April meeting with a gross of 81. C. S. Read of the Hartford was second with 84. William McCraw of Dallas, former attorney general, was the speaker.

Eglof on Virginia Program

RICHMOND—John H. Eglof, supervisor of agency field service of the Travelers, will address the annual convention of the Virginia Association of Insurance Agents here May 25-27 on "Cream, Milk and Skim-milk." Roy A. Duffus of Rochester, N. Y., a member of the publicity and educational committee of the National Association of Insurance Agents, had already been announced as a speaker.

Organize Miami Study Group

MIAMI, FLA.—Employees of members of the Greater Miami Board have organized for study of all lines, with automobile fire and theft as the first round table subject. The officers are Marjorie E. Hanes, of Arrant, Inc., president; J. M. Morris, Lipton Agency, vice-president; Miss E. J. Cassel, Branning office, secretary, and Miss Bessie Helms, Burritt Agency, chairman program committee.

McCormack at Johnson City Apr. 17

Commissioner McCormack of Tennessee is scheduled to address a special testimonial dinner of the Johnson City Insurance Exchange, April 17. Local agents of stock companies in neighboring places and leaders in the Tennessee Association of Insurance Agents have been invited to attend. I. B. Spraker is chairman of the arrangements committee.

Speakers for Florida School

At the four day short course insurance school to be conducted July 5-8 at the Hollywood Beach Hotel under the sponsorship of the Florida Insurance Agents' association, the speakers will include Claude D. Minor, educational director Royal-Liverpool, on "Personality, Salesmanship and Self Confidence;" Roy Duffus, Rochester, N. Y., "Factors of Preparedness;" "25 Points on Which Some Other Agents Failed to Hold Their Business" and "Insurable Hazards of Your Business;" Dana Johnson, W. H. McGee & Co., Atlanta, who will put on a motion picture in which will be shown a visual demonstration of various inland marine lines; Dr. Pierce Harris, Jacksonville; Ralph Davis, Tallahassee; Harry K. Schauffer, National Board,

In Arkansas 25 Years



J. K. SHEPHERD

J. K. Shepherd, head of the Shepherd & Co. general agency in Little Rock, has completed 25 years insurance service in Arkansas. He started in the business in 1900 just before becoming 14 years of age and was transferred from Texas to Arkansas by Trezevant & Cochran in 1914.

New York, and J. T. Rhudy, Jacksonville. A goal of 400 in attendance has been set. This will be the third such school to be conducted in Florida.

NEWS BRIEFS

Warrants for \$42,204 received in premium taxes have been sent to 84 Arkansas cities for firemen's pension funds.

The Easley-Whittle agency of Martinsville, Va., has been consolidated with the Burch-Hodges-Stone agency. Owen R. Easley joins the latter organization.

COAST

Washington, Oregon, Idaho Figures for 1938 Reported

Fire companies' 1938 premium income in the state of Washington was \$13,949,487, with 42 percent incurred loss ratio. Fire premiums were \$8,563,643, an increase of 29 percent, with loss ratio 33.45 percent on an incurred basis, against 43 percent in 1937. Stock fire companies accounted for \$11,745,044 of the grand total, with incurred loss ratio of 45 percent; mutuals and reciprocals, \$2,076,320. On straight fire business, stock companies had \$6,976,039 net premiums, with 36 per cent loss ratio; mutuals and reciprocals, \$1,459,481, loss ratio 23.3 percent.

The Oregon premium total, all lines, was \$8,084,229, loss ratio 45.4 percent. Stock companies had \$6,537,297, loss ratio 47.4 percent; mutuals and reciprocals \$1,546,932, loss ratio 38.6 percent. On fire business, stock companies' premiums were \$3,794,331, with incurred loss ratio 39 percent; mutuals, \$1,119,613, loss ratio 26 percent, and reciprocals, \$224,252, loss ratio 14 percent.

Idaho produced \$2,654,016 net premiums for fire companies, with incurred loss ratio of 46.6 percent, including \$2,352,537 written by stock companies, with 47.4 loss ratio, and \$301,659 by mutuals and reciprocals, loss ratio 40 percent.

New Portland General Agency

PORTLAND, ORE.—I. W. Clark, who recently resigned as claims superintendent General Accident in Portland,

and S. N. Boquist, formerly with the W. R. McDonald Company, have formed a new general agency, Boquist & Clark. W. R. McDonald Company is turning over the Oregon field outside of Portland to the new firm, which will have offices in the Porter building.

Goodman Portland Treasurer

PORTLAND, ORE.—James T. Goodman of Camp, Smith & Goodman has been elected treasurer of the Portland Insurance Exchange.

Grossmayer Gets Standard

PORTLAND, ORE.—The Standard Fire of Hartford has appointed the Phil Grossmayer Company of Portland general agent in Oregon. Ralph W. Bertolin, Seattle, is state agent of the Standard and Automobile in the Pacific northwest.

Would Amend Responsibility Act

DENVER—The Denver Association of Insurance Agents has passed a resolution commending the aims of a bill to amend the financial responsibility act of 1935 and strongly recommending its passage. The law of 1935 provides that a person who has an accident must pay the judgment involved or show financial responsibility. In other words, the single word "or" nullifies the effect of the act, meaning that all a man has to do is to buy an insurance policy after the accident, not paying the judgment. The amendment would change the word "or" to "and," thereby putting some teeth in it. The amendment has passed the house and is now in senate committee.

Colorado Premiums Drop in '38

DENVER—Annual figures just compiled show a definite drop in premium income in Colorado in 1938. Total premiums for stock companies, fire only, in 1938 were \$3,279,858, as compared with \$3,514,496 in 1937. Losses were \$823,146 against \$1,073,831.

Company leaders were: General of Seattle, \$116,332; Hartford, \$169,693; Home, \$149,022; Fireman's Fund, \$88,044; Aetna Fire, \$81,459.

Mutuals in 1938 had premiums of \$378,-

730 and losses \$87,035, as against \$421,511 and \$80,334 in 1937. Leaders were the Northwestern Mutual with \$38,890 and Central Manufacturers Mutual, \$38,208.

New Lloyds Law in Alaska

Under a bill passed by the Alaska legislature, London Lloyds can be used as a carrier in that territory on fire and automobile insurance only where the coverage cannot be obtained in admitted companies. The casualty field is left open for Lloyds and other non-admitted carriers. Lloyds will be charged a 2½ percent premium tax. A non-resident agent is allowed to write in the territory on payment of an annual fee of \$250. Agent's license fee is set at \$25, no matter how many companies he represents.

Rejoins Washington Department

John F. Sullivan, Seattle, who recently resigned as special agent of Crum & Forster, has returned to the Washington insurance department, in charge of its Seattle office.

NEWS BRIEFS

Walter Kulp, manager of Mountain States Inspection Bureau, has been elected to the board of governors of the Optimist Club of Denver.

E. R. Smith has been admitted to partnership in the Seyler-Day Co., Los Angeles. He has been with Johnson & Higgins in Los Angeles 11 years, recently as marine manager.

The Insurance Golf League of Los Angeles has resumed activities with teams representing the American Automobile, Aetna Casualty, Royal-Liverpool, Firemen's group, Fireman's Fund group, Seyler-Day Co., and the agents and brokers team. Frank Crosby, American Automobile, is president.

H. J. Toso, vice-president of Newhouse & Sayre, addressed the San Francisco Insurance Women's League on "Lloyds of London."

The Seattle Blanket Club, young men's insurance organization, held a banquet April 11, which was designated as "employers night."



BEFORE THE CAMERA AT FLORIDA SESSION OF NATIONAL AGENTS ASSOCIATION:

(Top)—Dorothy Crane, Mary Fincher, and Patricia McMorris, all of Miami. (Bottom)—E. Dana Johnson, W. H. McGee & Co., Atlanta; A. J. Skowrup, Milwaukee; H. D. Wilson, Grand Rapids, Mich.

MARINE

Marine Section to Hear Safety Plans

The marine section of the National Fire Protection Association will meet May 8 during the association's annual meeting in Chicago, May 8-11. The United States Bureau of Marine Inspection & Navigation is nearing completion of its new rules and regulations and two bureau speakers will discuss two safety phases. The material used by the bureau as a basis for its changes was developed by the marine section. S. D. McComb, New York City marine manager, who is president of the National Fire Prevention Association, will preside as section chairman. "Safety features in new vessels under the construction program of the Maritime Commission," will be discussed by Commander H. L. Vickery, assistant chairman of the United States Maritime Commission; "Tanker Safety," by Robert E. Coombs, principal traveling inspector Bureau of Marine Inspection & Navigation; "Fire Prevention Aboard Passenger Vessels in the Great Lakes," W. B. Mayo, president, Chicago, Duluth & Georgian Bay Transit Company.

Fine Arts \$30,000,000 Contract

A \$30,000,000 fine arts contract has been placed to insure the paintings that will be exhibited in the Masterpieces of Art Building at the New York fair. The insured is Art Associates of New York of which Dr. W. R. Valentine is director general. The policy was written by H. R. Farjeon of Farjeon, Ballin & Co. A number of the most famous galleries in the world will be exhibited.

Insurance Transactions of RFC for 7 Years Given

WASHINGTON—Loans to insurance companies by the RFC during the seven years from Feb. 2, 1932, when the organization was set up, to Feb. 2, 1939, totaled 133, principally in 1932 and 1933, and amounted to \$104,439,750, of which \$13,331,442 was not used. Total disbursements were \$90,693,210, more than 95 percent of which has been repaid. Loans were authorized and disbursed on the preferred stock of six casualty and three fire companies in the amount of \$34,425,000 of which \$7,655,955 has been repaid.

There is no break-down of insurance loans available. The only way to determine what loans were made would be to go through the monthly reports of the RFC for seven years, which would probably entail several days' research.

F. B. Long with Pacific National

Frank B. Long, who has been in the western marine department of Automobile of Hartford about eight years, has gone with Pacific National in its western marine department as an underwriter. He was located in the Chicago office of Automobile and then during the past year has been traveling in Michigan.

Attack Bomber Insured

NEW YORK—Insurance on the wrecked \$466,000 attack bomber plane which was the North American Aviation's entry in the government's tests was carried by Associated Aviation Underwriters. Considerable reinsurance was carried but none in either of the other two American aviation insurance markets. The amount of insurance was not revealed but the usual practice is for manufacturers to insure the actual replacement value, which would not include the cost of dies, jigs, plans and

other items of expense which would still be available for building the duplicate ship. The \$466,000 figure is the reported price at which the company offered to sell a single ship to the government.

Risk Research Institute Luncheon

NEW YORK—Risk Research Institute is holding an open luncheon Thursday, followed by a round table discussion of insurance and physical protection of records and valuable documents. Managing Director J. G. Goetz will lead the conference. It is expected that a number of insurance brokers and agents will attend.

May Open Los Angeles Office

LOS ANGELES—John A. Heinze, manager of the Grand Union Underwriters, composed of the Urbaine, French Union & Universal and Union & Phenix Espanol, was in Los Angeles this week, conferring with General Agent Thomas Humphreys, and looking over the field in regard to establishing a facultative office here.

Quiz Hour for A. M. A. Meet

NEW YORK—A question and answer sessions conducted by R. H. Blanchard, professor of insurance at Columbia University will be a feature of the annual meeting of the American Management Association insurance division to be held May 22-23 at the Hotel Claridge, Atlantic City. At this session authorities will answer insurance questions on use and occupancy, liability, fire, inland marine, group insurance and fidelity bonds.

At other sessions the program will include such topics as "Legal Aspects of Social Security," "The Broker's Message to the Insurance Buyer," "Boiler and Machinery Coverage from the Standpoint of the Insured and the Insurer," and other problems of interest to insurance managers.

J. H. Nickell, Philadelphia Electric Company, is vice-president of the A.M.A. insurance division.

The monthly meeting of the Insurance Women's Association of Minneapolis will be held April 17 at 5:30. A. E. Sanzenbach of Investors Syndicate will speak on office management.

To Preside at Coast Agents Parley in Salt Lake City



D. B. GOLDSMITH

D. B. Goldsmith of San Diego, Cal., will serve as chairman at the meeting of the Pacific Coast conference of local agents that is being held in Salt Lake City Friday and Saturday. He is a past president of the California Association of Insurance Agents.

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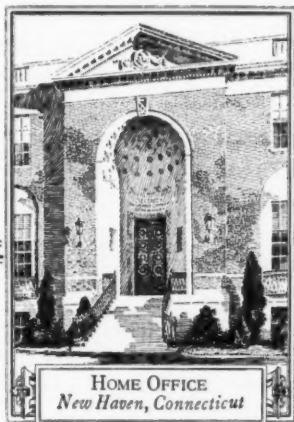
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and settlement claims by experienced company ad-
justers.

New U. & O. Form Is Dramatized in Skit

(CONTINUED FROM PAGE 31)

coverage of gross earnings in many cases may not afford payroll coverage much in excess of three months.

"One of the advantages of the new form is that it does not require the separation of the ordinary payroll from the remainder of the payroll as must now be done in the two item form. The elimination of different classifications of payroll serves to simplify the discussion with the prospect.

* * *

"It is true that under the new form there may be heavier loss payments on payroll than under the two item form, because the assured may take the position that in order to resume operations with the same quality of service which existed immediately preceding the inter-

ruption it is essential to retain the organization intact."

A: "Well, Arnold, I guess you have about convinced me that I will have to go to work, because this proposition really looks salable. Suppose we go right over and call on the Hollywood Department Store, as they are making money and certainly need this protection, but before we go, let us figure a proposition for them based on 50 percent of gross earnings."

National Surety's "Ad" Campaign Wins Approbation

(CONTINUED FROM PAGE 20)

insurance Agents; Harry M. Albert, president Pennsylvania association; H. Donald Holmes, president New Jersey Association of Underwriters; C. C. Mitchener, secretary Arkansas association; D. A. Clark, president Texas association; William J. Welsh, president Missouri

association; O. M. Stallings, president Florida association; Thomas O'Berry, president North Carolina association; R. Lea McClelland, manager Louisiana Insurance Society; J. Earl Seaton, secretary Tennessee association; Thos. R. Miller, president Florence, S. C., Insurance Exchange; Wm. H. Jennings, Jr., president Illinois association.

New York Brokers Elect April 25

NEW YORK—F. W. Lovejoy of the Socony-Vacuum Oil Co. will address the Insurance Brokers Association of New York at the annual luncheon April 25. T. I. Parkinson, president Equitable Society, originally scheduled to address the association, is recovering from an appendicitis operation but will not be able to attend the meeting.

Seven directors will be elected to succeed those whose terms expire. C. L. Despard, president for the last two years, will preside.

MOTOR

N. Y. 1938 Motor Experience Given

NEW YORK—During the fiscal year ended Aug. 31, 1938, member companies of the National Automobile Underwriters Association wrote net fire premiums and paid losses upon the various types of automobile business in New York state as follows:

	Premiums	Losses	Ratio
Straight fire	\$1,123,180	\$437,877	39.07
Theft	483,534	198,494	41.1
Comprehensive	3,043,972	908,203	29.8
Fire and theft combined	117,285	28,762	24.5
Full collision	96,760	61,354	63.4
\$25 deductible	125,200	104,947	83.8
\$50 deductible	2,808,189	2,296,804	81.8
\$75 deductible	87,751	68,176	77.7
\$100 deductible	521,790	413,319	79.2
\$150 deductible	5,867	67	1.1
\$250 deductible	56,350	42,151	74.8
\$500 deductible	20,067	10,808	53.9
Single interest collision	30,952	19,972	64.5
Single interest fire and theft	13,119	935	7.3

Collision-Comprehensive Decision Against Assured

Another recent decision on the automobile comprehensive policy was returned recently by the Ohio court of appeals. In Matthews vs. Shelby Mutual Plate Glass, it held that this contract did not cover a loss where the assured had parked his car along the road, a heavy rain and windstorm came up and the car was found half a mile away from the parking place, down a long hill, in a damaged condition, as the result of collision with a tent cottage and a tree. The municipal court of Barberton held that this damage was due to windstorm and was covered under the special condition of the comprehensive policy, stipulating that windstorm damage shall not be considered a collision. On appeal, judgment was reversed and the court of appeals held that it was perfectly apparent that the damage was done as the result of a collision of the automobile with another object and hence was not covered.

There have been very few court decisions on the point of exactly what constitutes a "collision" under the comprehensive policy, although real and hypothetical borderline cases are constantly being discussed. This case, following closely on the case of Teitelbaum vs. St. Louis Fire & Marine, in which the appellate court of Illinois held that damage caused by a person jumping from a building and landing on the insured automobile was not covered by the comprehensive contract, may indicate that the court will not be inclined to stretch the comprehensive contract unduly in favor of the assured.

Arnold Hodgkinson, secretary of the Pacific Coast branch of the National Automobile Underwriters Association, is in New York attending a conference of the association's staff. This makes Mr. Hodgkinson's 50th round trip to New York to such meetings since February, 1930.

Clarke Smith Indiana Speaker

Clarke Smith of the service department of the Royal-Liverpool group will speak on insurance surveys and analyses at the Indiana Conference on Fire and Casualty Insurance at Indiana University May 19-20, sponsored by the university and the Indiana Association of Insurance Agents. Mr. Smith has been on the programs of similar conferences in Florida and North Carolina. Prof. Alfred Manes of the university is another speaker.

Agents who are not members of the association will be welcome to attend this conference, as well as field men and others identified with the fire and casualty business, including members of local agency office staffs.

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381 Sherwood Building
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Equipped to handle investigations and adjustments and all types of insurance trial work.

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B. P. Carter's Sharp Attack on Consumer Cooperative Scheme

In every convention of the National Association of Insurance Agents, some one emerges as a hero, some one who has made a distinct hit and the conventioners are impressed with his work and message. At the Hollywood, Fla., meeting the outstanding man on the platform was B. P. Carter of Richmond, Va., who conducts a general agency for Virginia and North Carolina. His fel-



BERNARD P. CARTER

low townsman, W. Owen Wilson, had been paying considerable attention to consumer cooperatives. He had spoken on the subject at a number of business gatherings. But Mr. Wilson was conducting a four ringed circus. He persuaded Mr. Carter to take up the study of this subject as a hobby or avocation.

Mr. Carter at once started a campaign of research. He delved into the history of the movement, its ramifications, its literature, its aims, progress and achievements. He ascertained what the federal government through the Department of Labor and other agencies is doing to promote and encourage consumer cooperatives. He pointed out that this work is expensive and is being paid out of taxpayers funds. At the close, it was voted to ask all to stand who would agree to write to President Roosevelt in protest of this governmental activity. Mr. Carter has already inspired business men to write to the White House. If there are a large number of protesting letters, Mr. Carter declared the President would be impressed.

Mr. Carter has collected a vast lot of printed material of all kinds showing what the cooperatives are doing and how they are growing in number and

Deductible Rates Must Be Filed, Wis. Commissioner Rules

MADISON, WIS.—Commissioner H. J. Mortensen has ruled that rates based upon a deductible clause must be accompanied by filing of a deviation from the bureau rate, if the bureau of which the company is a member has not filed a rule and rate formula for deductible coverage. This is an outgrowth of the recent Northwestern National case in which that company maintained that its policy on the Layton Art Galleries of Milwaukee was not subject to the rate law because of the deductible. This case went against Northwestern National.

In the same bulletin, Mr. Mortensen ruled that the standard fire insurance policy must be used where insurance against loss or damage by fire is included. Other hazards may be included by endorsement. The ruling permits companies to add designating letters to the policy number or to use a description of not over four words, such as "personal fur floater."

Brokers Reelect National Officers by Mail Vote

NEW YORK—By mail vote all present officers of the National Association of Insurance Brokers were reelected. The executive committee felt that under existing conditions in the brokerage field not only was it desirable to retain the officials, but that the various committees should be strengthened and their activities broadened.

H. W. Schaefer, president, will be serving his second term, as will F. M. Hohwiesner, San Francisco, as chairman of the executive committee and H. G. Sawtelle, St. Louis, as vice-president. E. S. Litchfield, Boston, has served the association as treasurer since its formation, and Arthur Goerlich has been secretary for three years.

Smitheman Is Session Chairman

Clarke W. Smitheman, production manager Camden Fire, will swing the gavel in the fire and casualty group session at the Insurance Advertising Conference spring meeting in Hotel Pennsylvania, New York, May 16. Program for this session will be announced later.

Correct Fire Figures Are Shown

Transposition of figures in a tabulation of Illinois net fire premiums and paid losses for the Standard of New York in the "Insurance Exchange Magazine" resulted in erroneous totals. The correct figures are: Net premiums—fire \$164,377, total \$437,994; paid losses—fire \$47,180, total \$181,103.

influence. He convinced his hearers of the menace to their business, as well as other merchants and manufacturers.

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How can Agents and Fieldmen Get a working knowledge of the Dean Schedule?

An understanding of the Analytic System for Measurement of Relative Fire Hazard (Dean Schedule) is essential to mastery of the business in those states where this method of rating is used.

Use This Training Course in the Dean Schedule

If a property owner asked you to explain how his rate is built and figured today, could you explain it to him? If he has a rate that is much higher than that of his neighbor, can you tell him why that difference is there in terms that are more definite than simply, "Because the hazard is greater."

And what is still more important, are you prepared to suggest what steps might be taken to remove those hazards, or to increase the fire protection and lower his rate?

An agent who can answer such questions in a definite, clear and concise way, with specific illustrations, will gain the confidence and respect of the property owner. He will not only save business; he will be in a position to get new business.

Fieldmen and Agents

Fieldmen and agents who are doing the best work now in getting new fire insurance business do so by means of the Surveys. To handle properly the fire coverage in any survey an analysis should be made of the rate in Dean Schedule territory.

In Dean Schedule territory, if the rate is higher than it should be, an agent who is versed in the Schedule can discover such situations and help get the best rate possible for his client or potential client. Such service prevents competition getting a foothold and aids in getting new clients.

A knowledge and understanding of rating methods not only benefits the agent by increasing his income, but also benefits

him and the business in which he is engaged by helping to establish improved relations with policyholders.

Agents and fieldmen for years have used the correspondence course conducted by The National Underwriter Company to secure an understanding of the Dean Schedule. Though not designed to make raters of the persons who take the course, it gives a good working knowledge of the system. It helps analyze a rate make-up understandingly and intelligently.

The Author

J. S. Glidden, manager of the Chicago Board, is author of the course and B. L. Merrick is collaborator.

Upon Enrollment

Upon enrollment students receive lessons of the course in booklet form. There are 19 lessons in 6 booklets. Each student also receives a loose-leaf, ring-type durable binder in which all lessons may be kept permanently. Although a copy of the Dean Schedule is not needed to study the course, we recommend that students have access to a Schedule as they proceed with the study.

Examination questions follow each lesson. The student answers these and sends them in for grading and comment by the instructor. Upon completion of the course, if satisfactory grades are secured, a certificate suitable for framing is awarded.

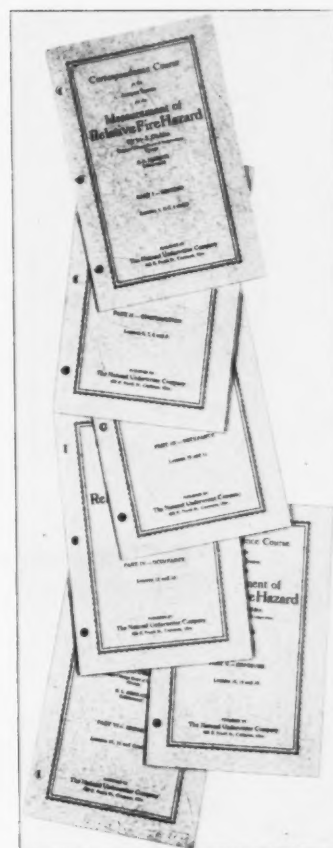
The entire tuition charge for the course is \$20 (payable in monthly amounts of \$5 each).

PARTIAL OUTLINE OF THE COURSE

Some idea of the scope of the training course may be gained from the following list of topics discussed:

Origin of schedule rating—evolution of fire rating—first steps—local boards—national board—analytic system—development of principal factors of hazard in a modern schedule—structure or construction—three grand divisions of fire hazard—element of risk itself—element of place—element of time—relativity in general—relativity of risk itself—relativity of place—relativity of time—determining factors in establishing individual charges—effect of competition and necessity of measurement—punitive and measuring schedules—measurement and the thing measured—standards of measurement—definition of schedule and rate—public fire protection—water supplies—fire department—application of grading schedule—classification of building and fire divisions—fire retardant classifications—exterior walls—classification of construction—classification of

fire divisions—breaching and stovepipes—rules for B construction—list of light occupancies—basis table for buildings of B construction—charges for wall deficiency—table of buildings of A construction—area table—examples of application—charges for wall deficiency—fireproofing, floor and roof supports, etc.—table of charges for fireproofing, etc.—exterior attachments—importance and classification of occupancy—combustibility, classification and charges—classification of occupancy—analysis and classification of combustibility—character or amount—packing materials—debris, packing or unpacking, etc.—mixed stocks—combustibility—special rules governing exposures—communications—exposure through fire walls—changing established rates—after charges—schedule improvements—coinsurance, etc., etc.



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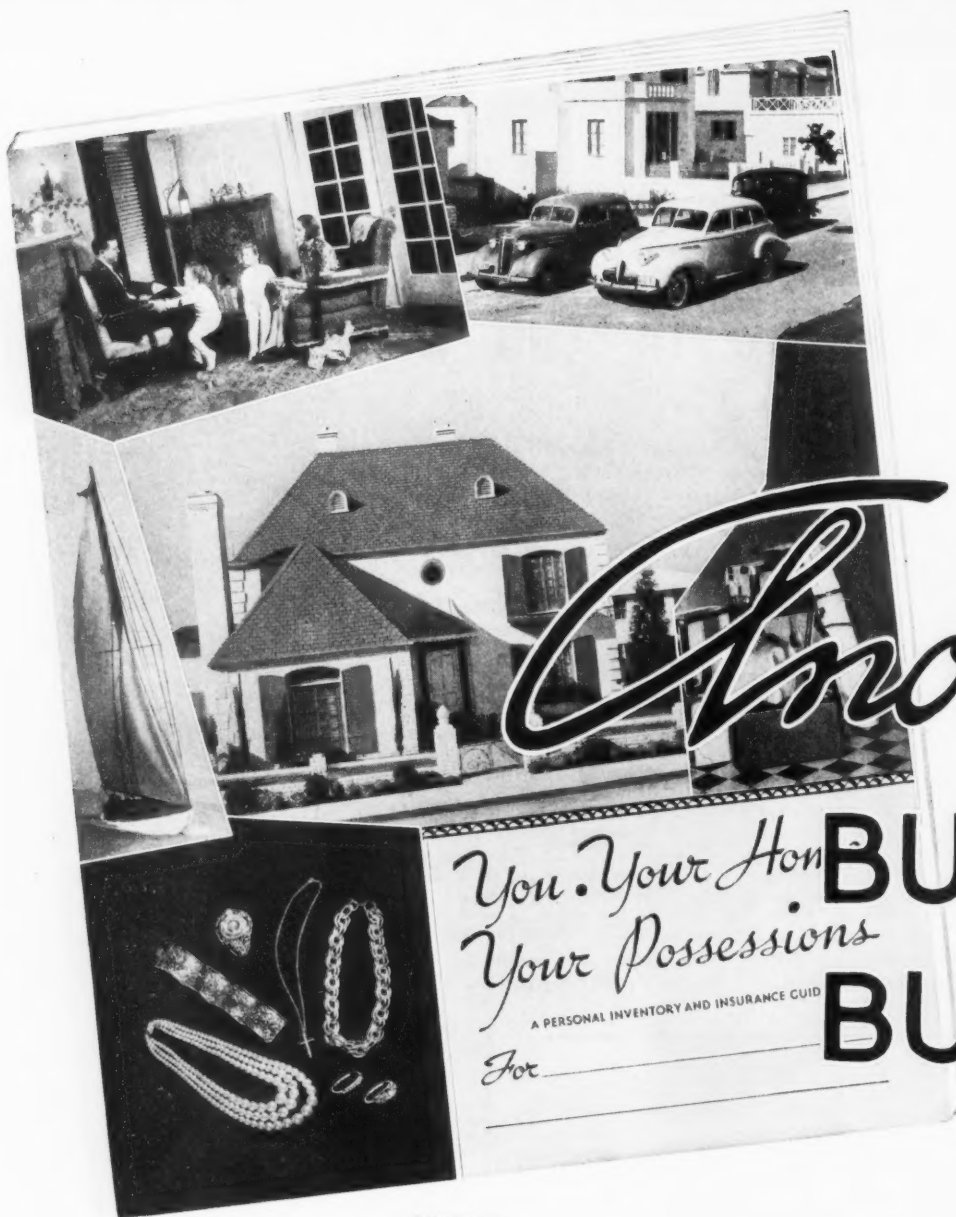
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